SUPREME COURT, U.S.

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APPENDIX

IN THE SUPREME COURT
OF THE UNITED STATES
OCTOBER TERM, 1973

No. 73-631

HOWARD JOHNSON CO., INC.,

Petitioner

v.

DETROIT LOCAL JOINT EXECUTIVE BOARD, HOTEL AND RESTAURANT EMPLOYEES AND BARTENDERS INTERNATIONAL UNION, AFL-CIO

Respondent

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

PETITION FOR
CERTIORARI FILED OCTOBER 9, 1973

PETITION FOR
CERTIORARI GRANTED DECEMBER 10, 1973

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1973

No. 73-631

HOWARD JOHNSON CO., INC.,

Petitioner

vs.

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July 21, 1972	Plaintiff's Complaint filed in Wayne County Circuit Court for the State of Michigan
July 21, 1972	Temporary Restraining Order and Order to Show Cause Issued by the Wayne County Circuit Court for the State of Michigan
July 24, 1972	Hearing on Temporary Restraining Order and Order to Show Cause, Wayne County Circuit Court for the State of Michigan
July 26, 1972	Petition for Removal Filed by Defendant Howard Johnson, Co. Inc.
July 27, 1972	Answer of Defendant Howard Johnson Co. Inc. Filed
July 28, 1972	Motion to Remand or in the Alternative for Preliminary Injunction Filed by Plaintiff
August 7, 1972	Hearing on Motion to Remand or in the Alternative for Preliminary Injunction, United States District Court
August 22, 1972	Memorandum Opinion of the United States District Court Issued
August 25, 1972	Order of the United States District Court Entered
September 5, 1972	Notice of Appeal Filed by Defendant Howard Johnson Co., Inc.
September 7, 1972	Motion to Stay Order to Arbitrate Pending Appeal Filed by Defendant Howard Johnson Co. Inc.
September 28, 1972	Plaintiff's Answer to Defendant's Motion to Stay Order to Arbitrate Filed
October 2, 1972	Hearing on Motion to Stay Order to Arbitrate Pending Appeal, United States District Court

October 3, 1972	Memorandum and Order Granting Stay Pending Appeal Entered, United States District Court
October 11, 1972	Certified Record Filed and Case Docketed with Clerk of Sixth Circuit Court of Appeals
July 12, 1973	Opinion and Judgment of the Sixth Circuit Court of Appeals Entered

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, *Plaintiff,* vs. Howard Johnson Company, Inc., a Maryland corporation; Howard Johnson Motor Lodge, Inc., and Belleville Restaurant Company, Inc., Michigan corporations, *Defendants.*	Civil Case No. 218060

COMPLAINT

Filed July 21, 1972

Now comes, Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, hereinafter for matter of convenience, referred to as Union, by its attorneys, Miller, Klimist, Cohen, Martens & Sugerman, P.C., and files this Complaint against Howard Johnson Company, Inc., a Maryland corporation, Howard Johnson Motor Lodge, Inc., a Michigan corporation and Belleville Restaurant Company, Inc., a Michigan corporation, hereinafter for matter of convenience referred to as Howard Johnson, Lodge, and Restaurant, respectively, and says:

1. Jurisdiction of this court is based on Section 301 of the Labor Management Relations Act of 1947, as amended, 29 U.S.C. Sec. 185, M.S.A. 17.454.

2. Plaintiff is a voluntary unincorporated labor organization which maintains its principal office and place of business at 100 Selden, Detroit, Wayne County, Michigan and is an organization in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment and conditions of work.

3. Howard Johnson is a Maryland corporation with its principal office at South Shore Plaza, 250 Granite Street, Braintree, Massachusetts and maintains a registered corporate office at 615 Griswold Street, Detroit, Wayne County, Michigan.

4. Lodge is a Michigan corporation that has at all times material herein operated a motel at 45945 Willow Run Expressway, Belleville, Wayne County, Michigan, providing lodging services to the travelling public.

5. Restaurant, is a Michigan corporation, that has at all times material herein operated a restaurant facility at 45915 Willow Run Expressway, Belleville, Wayne County, Michigan providing food services to the general public.

6. The Union, has been, at all times material herein, the recognized collective bargaining representative of certain employees of Lodge whose terms and conditions of employment are set forth in a collective bargaining agreement between the parties effective for the period August 1, 1968, to August 1, 1972. A copy of that agreement is attached hereto and marked Exhibit A.

7. The aforesaid Agreement between the Union and Lodge provides, *inter alia* as follows:

> "Article VII, Section 1. The Employer shall contribute to the Hotel and Restaurant Employees Insurance Fund the sum of forty-five ($.45) Cents per day from the first day of employment for each day worked, with a minimum of two Dollars ($2.25) twenty-five Cents per week for each week worked by steady employes[sic]. The Employer shall contribute to the Hotel and Restaurant Employees Insurance Fund the sum of forty-five ($.45) Cents per day for each day worked by all other employes[sic] covered by this Agreement. Such contributions shall be used for insurance coverage to provide benefits for employes[sic] eligible for benefits.
>
> "Article VII, Section 2. The Employer shall contribute, in addition to the contributions provided in the preceding Section, the sum of forty ($.40) Cents per day for each day worked by an employe[sic] covered by this Agreement to the Hotel & Restaurant Employes[sic] Pension Fund

for the purpose of establishing and paying pensions to eligible employes[sic] as provided in an Indenture of Trust establishing the Hotel & Restaurant Employes[sic] Pension Plan.

"Article VIII, Section 1. The Employer agrees to recognize seniority in specific job classifications within each department and that employees in specific job classifications within each department shall, whenever reasonably possible, be promoted, demoted, laid off and recalled to work according to their length of service. . .

"Article IX, Section 1. If an employe[sic] has a grievance under the terms and provisions of this Agreement, it shall be handled in the manner hereinafter set forth. . .

"Article XVII, Section 1. Both the Union and Employer recognize the service nature of the Motel business and the duty of the Motel to render continuous and hospitable service to the public in the way of lodging, food and other necessary motel accommodations. There shall be no lockouts, strikes or work stoppages of any kind prior to the termination date of this Agreement. . .

"Article XVIII, Section 1. This Agreement shall be binding upon the successors, assigns, purchasers, lessees or transferees of the Employer whether such succession, assignment or transfer be effected voluntarily or by operation of law . . . provided the establishment remains in the same line of business."

8. The Union is the recognized collective bargaining representative of certain employees of Restaurant. Terms and conditions of employment governing employees of Restaurant are set forth in a collective bargaining agreement between the parties, effective for the period January 1, 1968 to March 31, 1971, and extended by Addendum until May 1, 1974. A copy of the Agreement is attached hereto and marked Exhibit B. A copy of the Addendum is attached hereto and marked Exhibit C.

9. The aforesaid Agreement between the Union and Restaurant provides, *inter alia*, as follows:

"Article III, Section 1. If an employee has a grievance

under the terms and provisions and during the term of this Agreement, the same shall follow the procedure set forth below. . .

"Article V, Section 1. The Employer shall contribute to the Hotel and Restaurant Employes[sic] Insurance Fund the sum of $.45 per day from the first day of employment for each day worked, with a minimum of $2.25 per week for each week worked by steady employes[sic]. The Employer shall contribute to the Hotel and Restaurant Employers Insurance Fund the sum of $.45 per day for each day worked by all other employ es[sic] covered by this Agreement. Such contributions shall be used for insurance coverage to provide benefits for employes[sic] eligible for benefits.

"Article V, Section 2. The Employer shall contribute, in addition to the contributions provided in the preceding Section, the sum of $.40 per day for each day worked by an employe[sic] covered by this Agreement to the Hotel and Restaurant Employes[sic] Pension Fund for the purpose of establishing and paying pensions to eligible employes[sic] as provided in an Indenture of Trust establishing the Hotel and Restaurant Employes[sic] Pension Plan.

"Article IX, Section 2. The Employer agrees to recognize seniority in specific job classifications within each department and that employees in specific job classifications within each department shall be promoted, demoted, laid off and recalled to work according to their length of service, provided, however, that the employee qualifies for the specific job classification within the department.

"Article XIII, Section 2. This Agreement shall be binding upon the employer's successors, assigns, purchasers, lessees or transferres whether such succession, assignment or transfer be affected voluntarily or by operation of law; and in the event of the employer's merger or consolidation with another company or companies, this Agreement shall be binding upon the merged or consolidated company, provided the establishment remains in the same line of business.

"Article XIV, Section 2. The Employer will not lock-out any employees during the term of this Agreement.

"Article XV, Section 1. Nothing in this Agreement shall be construed to limit or impair the right of the Employer to exercise its own discretion on all of the following matters, whatever may be the effect upon employment, when in its discretion it may determine it advisable to do any or all of the following: . . . to discipline and discharge employees for cause. . .

"Article XV, Section 2. The Delineation of Management Rights shall be subject to the express terms of other provisions of this Agreement and to the Grievance Procedure."

10. By letter dated July 13, 1972, Restaurant notified the Union that it would terminate its business operations effective at midnight July 23, 1972. A copy of the letter is attached hereto and marked Exhibit D.

11. Although Lodge did not submit a written communication to the Union, it appears that it plans to cease its business operations on or about midnight July 23, 1972.

12. Lodge and Restaurant which have operated under the name and style of Howard Johnson Motor Lodge and Howard Johnson Restaurant, respectively, have entered into an understanding or agreement to sell their assets to Howard Johnson that will commence operations of the motel and restaurant facilities after midnight July 23, 1972.

13. Lodge employs approximately 23 employees who are represented for the purposes of collective bargaining by the Union. Howard Johnson, by its representatives, has informed said employees that they will be separated from employment at midnight July 23, 1972.

14. Restaurant employes[sic] approximately 35 employees who are represented for the purpose of collective bargaining by the Union. Howard Johnson, by its representatives, has informed 30 of said employees that they will be separated from employment at midnight July 23, 1972.

15. On or about July 19, 1972, representatives of Howard Johnson informed representatives of the Union that it would give no effect to any of the terms and conditions of employment set forth in the collective bargaining agreements between the Union, Lodge or Restaurant.

16. Howard Johnson, will continue the identical business operation of Lodge and of Restaurant under the same name and style and is a successor employer to Lodge and Restaurant.

17. Howard Johnson is required to arbitrate disputes arising under the terms and conditions set forth in the collective bargaining agreements between the Union and Lodge and Restaurant and may not, pending resolution thereof "lockout" the 53 employees involved at said facilities.

WHEREFORE, the Union prays that this court:

1. Order Howard Johnson, Lodge and Restaurant to arbitrate issues relating to separation of employment, seniority, health, welfare and pension contributions and the obligations of the parties under the successorship provisions of the collective bargaining agreements.

2. Preserve the status quo by temporarily restraining, ex parte, Howard Johnson from locking out the 53 employees employed at the motel and restaurant facilities involved in this proceeding.

3. Order Howard Johnson, Lodge and Restaurant to show cause why the aforesaid restraining order should not be made a preliminary injunction.

4. Order any other relief deemed just and appropriate.

MILLER, KLIMIST, COHEN,
MARTENS & SUGERMAN, P.C.

By /s/ DONALD F. SUGERMAN
Donald F. Sugerman
Attorneys for Plaintiff
2460 First National Building
Detroit, Michigan

July 21, 1972

* * *

AFFIDAVIT OF ROBERT CORRIGAN
Filed July 21, 1972
(Title Omitted in Printing)

STATE OF MICHIGAN)
) SS.
COUNTY OF WAYNE)

ROBERT CORRIGAN, being first duly sworn, deposes and says:

1. That he is the Business Manager of Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, plaintiff herein.

2. That 53 employees of defendants, who are represented by plaintiff for collective bargaining purposes with regard to wages, hours and conditions of employment, will be irreparably harmed by the threatened action of the defendants to lockout from employment said employees.

3. That defendants will suffer no harm if a Temporary Restraining Order and Order to Show Cause are issued.

4. That he has read the foregoing Complaint of said plaintiff, that he knows the contents thereof and the same is true to the best of his knowledge, except as to matters therein stated on information and belief and as to those matters he believes it to be true.

Further deponent sayeth not.

/s/ R. G. CORRIGAN
Robert Corrigan

[Jurat omitted in print]

* * *

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO. *Plaintiffs,* v. Howard Johnson Company, Inc., a Maryland corporation; Howard Johnson Motor Lodge, Inc., a Michigan corporation; and Belleville Restaurant Company, Inc., a Michigan corporation, *Defendants.*	Civil Action No. 38654

ANSWER OF HOWARD JOHNSON COMPANY, INC.
Filed July 27, 1972

Howard Johnson Company, Inc., one of the Defendants herein, by its attorneys Dykema, Gossett, Spencer, Goodnow & Trigg, answers the Complaint as follows:

1. This Defendant admits that the action is based on Section 301 of the Labor Management Relations Act of 1947, as amended, 29 U.S.C. Section 185.

As stated in the Petition for Removal filed herein, Defendant avers that the United States District Court for the Eastern District of Michigan, Southern Division, has jurisdiction of this proceeding.

2. Defendant admits the allegations of paragraph 2.

3. Defendant admits the allegations of paragraph 3 except as to the location of its principal office which is: One Howard Johnson Plaza, Boston, Massachusetts.

4. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 4 and leaves Plaintiffs to their proofs.

5. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 5 and leaves Plaintiffs to their proofs.

6. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 6 and leaves Plaintiffs to their proofs.

7. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 7 and leaves Plaintiffs to their proofs.

8. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 8 and leaves Plaintiffs to their proofs.

9. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 9 and leaves Plaintiffs to their proofs.

10. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 10 and leaves Plaintiffs to their proofs.

11. This Defendant is without knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 11 and leaves Plaintiffs to their proofs.

12. This Defendant denies the allegations of paragraph 12 except that it admits that Belleville Restaurant Company, Inc. is one of several parties to a Bill of Sale whereby certain personal property is sold to this Defendant, which Bill of Sale was dated July 11, 1972.

13. This Defendant is without knowledge as to the truth or falsity of the first sentence of paragraph 13, and neither admits nor denies the same but leaves Plaintiffs to their proofs. This Defendant denies that it or its representatives have informed any employees of Howard Johnson Motor Lodge, Inc. that they will be separated from employment at midnight July 23, 1972, or at any other time.

14. This Defendant is without knowledge as to the truth or

falsity of the first sentence of paragraph 14, and neither admits nor denies the same but leaves Plaintiffs to their proofs. This Defendant denies that it or its representatives have informed any employees of Belleville Restaurant Company, Inc. that they will be separated from employment at midnight July 23, 1972, or at any other time.

15. This Defendant denies the allegations of paragraph 15 and states the fact to be that on July 11, 1972, it informed a representative of the Union that it would not accept or recognize any alleged contract for the Restaurant or Motor Lodge.

16. This Defendant denies the allegations of paragraph 16 and particularly denies that it is a successor employer to Howard Johnson Motor Lodge, Inc. or Bellleville Restaurant Company, Inc.

17. This Defendant denies the legal conclusion that it is required to arbitrate disputes arisimg under the terms and conditions of an agreement between Plaintiff and Howard Johnson Motor Lodge, Inc. or between Plaintifff and Belleville Restaurant Company, Inc. This Defendant further denies that it has "locked out" any employees.

WHEREFORE, this Defendant prays that the Complaint be dismissed with costs to it.

DYKEMA, GOSSETT, SPENCER
GOODNOW & TRIGG

By /s/ JAMES D. TRACY
James D. Tracy

Attorneys for Defendant Howard Johnson Company, Inc., a Maryland corporation
2700 Penobscot Building
Detroit, Michigan 48226
963-6040

Dated: July 27, 1972

Before the HONORABLE PHILIP PRATT,
United States District Judge,
Detroit, Michigan, August 7, 1972

STATEMENTS OF FACTS AND STIPULATIONS AND EXCEPTIONS TO STATEMENTS OF FACTS

(Title Omitted in Printing).

APPEARANCES:

BRUCE A. MILLER
Appearing on behalf of the Plaintiff

JAMES D. TRACY
Appearing on behalf of Defendant Howard Johnson Company, Inc.

FREDERICK COLOMBO
Appearing on behalf of Defendants Howard Johnson Motor Lodge, Inc., and Belleville Restaurant Company, Inc.

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[2] THE CLERK: Calling case Number 38654, Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, versus Howard Johnson Company.

THE COURT: The record may indicate that the Court conferred with counsel in chambers on this matter and suggested that perhaps the matter could be determined on its merits if counsel could agree to a stipulation of facts.

Counsel have since that time conferred and I understand that there is to be some presentation in that regard.

MR. MILLER: Yes, your Honor.

If it please the Court, we have each attempted, independently of one another, to put together a statement of facts.

What I propose to do at this point, if it please the Court, is to offer, in the same general way that we did in chambers, my proposal as to what the operative facts are and see if we can get agreement on that. And then to hear out Mr. Tracy in terms of whatever additional supplemental facts [3] that he might want to offer, and see if we can get agreement on that.

If that is agreeable to the Court, then I will proceed.

THE COURT: Very well.

MR. MILLER: Thank you very much.

Let me first start, I think the easiest way of doing this is to just take the pleadings and take the admissions that have already been made and just put those on the record.

Do you have the pleadings in front of you, Counsel?

MR. TRACY: I do.

MR. MILLER: And do you have in front of you both the answer of Howard Johnson and the answer of the other defendants? And may we go right down that and proceed quite quickly?

Ready?

MR. TRACY: Yes.

MR. MILLER: Paragraph One of the complaint sets forth the jurisdictional averment, which is admitted.

So, I would offer that as part of our stipulated facts.

[4] If you disagree at any point, let me know, Mr. Tracy.

MR. TRACY: Very well.

MR. MILLER: Paragraph Two sets forth the nature of the plaintiff as a labor union, and that is admitted.

And I offer that as part of our stipulation.

Is that agreed, Mr. Tracy?

MR. TRACY: I thought you suggested if I disagreed, I should speak up.

MR. MILLER: Oh, all right; okay.

Let's just go right down and we will see, on the record, whether we are together.

We are together so far; okay?

MR. TRACY: Very well.

MR. MILLER: Paragraph Three sets forth the nature of the defendant Howard Johnsons. That was corrected by the answer of Howard Johnsons. And I think that the allegation as modified by the answer of Howard Johnson in their corresponding Paragraph Three, I would offer as a stipulation.

Is that agreeable, Mr. Tracy?

MR. TRACY: Yes.

MR. MILLER: Paragraph Four sets [5] forth the nature of defendant Lodge. And I am now turning to Lodge's answer, and Lodge admits that paragraph.

So, I offer that as part of the stipulation.

MR. COLOMBO: Your Honor, at this point, I would just like to correct something I just learned this morning, that there is no Howard Johnson Motor Lodge, Inc., as such. There is a Howard Johnson Motor Lodge that is a division of P.L. Grissom and Son, Inc., who is not a party to this suit. P.L. Grissom and Son, Inc., own all of the premises, the real estate where these businesses are conducted, and they also own all of the stock of Belleville Restaurant, Inc., which is a corporation and which is a party to this proceeding.

MR. MILLER: Well, I am not sure I understand Counsel. Are you saying that the party named as a defendant is not a legal entity and hence not a party to these proceedings?

MR. COLOMBO: Howard Johnson Motor Lodge, Inc., is not a corporation as such.

MR. MILLER: Well, who is the proper? Who stands in their place?

MR. COLOMBO: P.L. Grissom and Son, Inc.

MR. MILLER: And are they a party to [6] these proceedings?

MR. COLOMBO: No, they are not.

MR. MILLER: So, what you are saying is that we don't have a party on this side?

If it please your Honor, it is a little bit late to raise that kind of an issue, since we have already appeared in court and they have represented and they admit Paragraph Four.

THE COURT: Counsel, may we by stipulation amend the pleadings and the entitlement to show that correction?

MR. MILLER: I would agree to such.

MR. COLOMBO: We have no objection, your Honor.

THE COURT: Very well.

MR. MILLER: Then, we are all together.

Then, Paragraph Four, as amended, is admitted.

Correct, Mr. Colombo?

MR. COLOMBO: That's correct.

MR. MILLER: Okay.

MR. TRACY: Just a minute, Mr. Miller. Paragraph Four is not admitted.

MR. MILLER: As amended, it is admitted.

[7] MR. TRACY: Well, all right.

MR. MILLER: That is what I said, as amended, it is admitted.

Paragraph Five is admitted by that defendant.

Is that correct, Mr. Colombo?

MR. COLOMBO: What is Paragraph Five, sir?

MR. MILLER: Paragraph Five sets off the character of Restaurant as opposed to Lodge.

MR. COLOMBO: Belleville Restaurant, Inc., is a corporation in existence at this time.

MR. MILLER: So, that is admitted; and admitted by your pleadings.

Paragraph Six has been admitted by Mr. Colombo's pleadings, and I offer that as part of our stipulation.

That is a fact, it has been admitted; is that right, Mr. Colombo?

MR. COLOMBO: It is admitted by us as a fact.

MR. MILLER: All right. So, that is part of the stipulation.

Paragraph Seven is admitted by the [8] pleadings, and I offer that as part of our stipulation.

Any objection from any party?

All right.

I go on to Paragraph Eight. Paragraph Eight is admitted by the pleadings, and I offer that as part of our stipulation.

Is there any disagreement from anybody in reference to that?

THE COURT: I take it, Counsel, if there is any disagreement, they will let us know. So, just read what you want.

MR. MILLER: Paragraph Nine, I offer as part of our stipulation. It is also admitted by the pleadings.

Paragraph Ten, I offer as a stipulation that is admitted by the pleadings. And I would agree that if counsel has copies of those letters, I would have no objection to them being put into evidence.

Do you have copies of the letters?

MR. COLOMBO: Is this the notice letters?

MR. MILLER: Notice letters, that's right.

MR. COLOMBO: I think they are attached to the pleadings, aren't they?

[9] MR. MILLER: In that case, they are admitted.

Paragraph Eleven, this is a notice letter that is – it is alleged that a notice letter was sent out in connection with our Paragraph Eleven. We will be pleased to adopt your answer as part of our stipulation and agree to the introduction of that letter that is an exhibit which is attached to our complaint.

So, that is part of our offer.

THE COURT: An exhibit attached to their answer?

MR. MILLER: To their answer. Pardon me.

We accept that as being a fact.

We come down to Paragraph Thirteen, The first sentence of Paragraph Thirteen is admitted, "Lodge employs approximately 23 employees who are represented for the purposes of collective bargaining by the Union."

We offer only that sentence, which is admitted, as part of our stipulation of facts. We are not offering the last sentence, which is denied.

Paragraph Fourteen, the first sentence is admitted, "Restaurant employs approximately 35 employees who are represented for the purpose of collective [10] bargaining by the Union." That first sentence is admitted. The second sentence is not. We offer just the first sentence.

Paragraph Fifteen is admitted substantially by the defendant. That is, I don't – the only difference that I see between our fifteen and their fifteen is the date. They contend the proper date should be July 11th, we contend the proper date should be July 19th.

I believe it is a fact – let me just check, one minute.

I believe that both dates are correct, in that they involve a continuity of discussion starting with July 11th through July 19th and some time thereafter that.

And I would offer that as a stipulation in reference to Paragraph Fifteen.

That is all that is admitted in reference to the pleadings.

Now, I further offer the following as a stipulation of fact:

Defendants Lodge and Restaurant are operated under a franchise from Howard Johnson. These defendants returned the business to Howard Johnson through a sale of assets. They no longer operate the business and Howard Johnson now operates it under the same style, form and manner as it was [11] previously operated by defendants Lodge and Restaurant. From the point of view of the public, there is complete continuity.

Defendants Lodge and Restaurant were both, at the time of sale, bound by collective bargaining agreements; which are the agreements attached to the pleadings. Defendants reserve the right, in the event that arbitration is ordered, to offer agreements other than those in evidence, in the event that they learn that such agreements are not fully accurate.

That was to take care of the question that was raised in chambers.

Defendant Howard Johnson was not a party to the aforesaid collective bargaining agreements.

It is agreed that said agreements require arbitration of disputes and also provide for no strikes and no lockouts.

The total number of employees of Howard Johnson and Restaurant was 53. Those employees, except for the three former Union members, were released from employment effective 11:59 July 24, 1972. On 12:01 July 25th, Howard Johnson took over the former operation, with three former Union members employed by them.

The Court has the record of proceedings from the Circuit Court, except the transcript of the [12] proceedings before Judge

Gilmore, which record shall be the record for the question of remand.

The Court has as part of the file of this case the temporary restraining order issued by Judge Gilmore, and the order of Judge Moody dated July 26, 1972.

Defendants Lodge and Restaurant admit that they are bound to arbitrate, subject to whatever defenses they may allege, before an arbitrator; and further agree that an order requiring them to submit to arbitration should issue.

Defendant Howard Johnson denies any duty to arbitrate.

That is my proposed facts of stipulation.

THE COURT: Thank you.

MR. COLOMBO: As far as the defendants, on the record, now, P.L. Grissom and Son, Inc., who are the owners of what was formerly Motor Lodge and Belleville Restaurant, Inc., are concerned, your Honor, we have stipulated and agreed that we are subject to arbitration but only to those matters – only to those matters – which occurred prior to July 23, 1972, at 12:01 midnight. Anything that arose after that period, we will not stipulate as to any matter making us subject to arbitration with respect to those matters.

[13] THE COURT: Is that agreeable to you, Counsel?

MR. MILLER: Well, I don't think that I want to define the scope of that at this time, your Honor.

THE COURT: At least that is saved on the record.

MR. MILLER: It is saved on the record and for the arbitration.

MR. TRACY: If the Court please, I am James Tracy, appearing for Howard Johnson Company, Incorporated, which is a Maryland corporation.

As you stated, you suggested in chambers that this matter could perhaps be handled, rather than as the request on a motion

for temporary injunction, on the basis of an agreement facts going to final trial of the merits. And that seems to be in accord with Rule 65, Federal Rules of Civil Procedure.

We have no objection to that procedure.

We have assured the Court that we are willing to participate in any arrangement that will produce a quick legal determination of the issues involved.

There are, however, in my belief, some [14] complicated – perhaps not difficult, but complicated – legal questions. And, therefore, in order to protect my client's interests, I think it is important that the facts which establish the legal defense of this Company are all included in the record which the Court will have before it.

I heard Mr. Miller's statement. I think generally I found nothing with which my client disagrees.

I wish to make a statement of the facts as we deem them pertinent to the legal question which the Court will have to decide. And I will try not to repeat facts that I know Mr. Miller included in his statement, but there may be something in which I will repeat something that he mentioned.

As was noted, –

MR. MILLER: (interposing) Excuse me, Counsel. Would you prefer that I interrupt where I disagree? I don't want to interrupt your chain. I followed a certain method; I don't know if you want to follow the same method.

MR. TRACY: I will do it in any way the Court deems easiest.

THE COURT: Why don't you make your views known at the time.

MR. MILLER: Thank you. Silence [15] sometimes signifies assent, and I want to make sure.

MR. TRACY: I haven't identified my client. It has been noted on the record that there is not a legal entity called Howard

Johnson Motor Lodges, Inc., except as a division of P.L. Grissom Company, which I gather is a Michigan corporation. There is a Belleville Restaurant, as I understand it, and that is a Michigan corporation. My client, Howard Johnson Company, Incorporated, has no legal interest in either Howard Johnson Motor Lodges or Belleville Restaurant. And by that I mean they have no ownership interest on any kind. They have not at any time material to this proceeding had any such interest.

MR. MILLER: In reference to that fact, I would accept that as being true. And we will offer, in addition to that, that the two defendants operated under the control of Howard Johnsons through the operation of certain franchise agreements.

MR. TRACY: Well, your Honor, that is not a stipulated fact. I am agreeable to putting into evidence the agreements between Howard Johnson, and I will so identify my client.

MR. MILLER: Put in the franchise agreement, too, Counsel.

[16] MR. TRACY: I will be happy to put in the license which went to C.T. Grissom and P.L. Grissom, Inc., a Michigan corporation, dated December 7, 1959, to operate a Motor Lodge as a franchisee; and an operator's agreement dated August 18, 1960, to Ben Bibb and P.L. Grissom and Belleville Restaurant Company, jointly, to operate a restaurant.

I have one copy of those documents. I would be glad to make additional copies and submit them to the reporter to be made a part of this record.

MR. MILLER: Counsel, is that the same as a franchise agreement? If that is the franchise agreement, I am agreeable. If it is something that is extrapolated or is something separate from the franchise agreement, I am sure you are going to have that, and I am sure there will be no problem.

MR. TRACY: When Mr. Miller uses the term "franchise agreement," I don't know what he means. The documents I refer to were the only documents that were relative to the operation and the license arrangement. There is no document called a franchise agreement.

THE COURT: Is that satisfactory to you?

MR. MILLER: That is satisfactory [17] to me. But if the document makes reference to another document, I assume that document will be included.

Is that fair enough? We are going on faith here. I haven't looked. If that document makes reference to another document, then that document would also be included; is that correct?

MR. TRACY: No, I don't know either, because I haven't read the document myself. It may refer to a lease agreement or –

MR. MILLER: (interposing) Whatever that is, that will be included so it is complete. There is no problem there.

MR. TRACY: At the moment, your Honor, I don't know whether any other agreements are referred to therein. I have no objection to including them if they are material.

THE COURT: Very well.

MR. TRACY: On June 16, 1972, there was an agreement between Charles T. Grissom, Detroit, Michigan, and P.L. Grissom and Son, Inc., a Michigan corporation, jointly, and Belleville Restaurant Company, a Michigan corporation, jointly, who were referred to in the agreement as sellers, and Howard Johnson Company, my client, referred to in the Agreement as purchaser. This was an agreement which I would offer as part of our stipulated facts, which set forth the terms under [18] which there would be a transfer of certain assets by bill of sale, and it refers to certain contracts which were assumed by the purchaser. And, so, I propose that document as part of the stipulation.

MR. MILLER: If there is a representation that there is no other document as part of that transaction, then I will accept that as a stipulation.

MR. TRACY: That was the original agreement, so far as I know, that set forth the agreement. It called for the submission of an abstract of title. It was a preliminary agreement of sale, and it called for submission of other documents. It referred to the fact that it would be necessary to apply for a transfer of an existing

liquor license. As a matter of fact, there is no statement in this agreement as to when the transaction will be closed. And I believe that it was contemplated that the closing might be considerably later.

I am advised by Mr. Colombo, the attorney for the Grissoms, that there was a subsequent oral arrangement under which the transaction was closed, effective midnight July 23rd or 12:01 a.m. July 24th, without the transfer of the liquor license. The parties having agreed that they would proceed without that which was in the original agreement.

MR. MILLER: On the representation, if it please the Court, that all of the documents referred to may be exhibits in this case if they be material, and upon the [19] further representation that there are no other documents between the parties, I will accept that stipulation.

THE COURT: Very well.

MR. TRACY: I had not planned to put into this record all of the documents, but I have no objection. That means there will be, as part of this record, a bill of sale. There is a document entitled –

MR. COLOMBO: (interposing) There is a lease.

MR. TRACY: There is a document entitled a "Non-disturbance Agreement". And there are two leases. And I take it –

THE COURT: (interposing) Well, gentlemen, may I suggest that the two of you get together. Let's not talk on the record on a lot of unnecessary things. I would take it that most of those, in view of the fact that there was consummation of agreement at a certain time around midnight, that we won't need abstracts and other types of agreements. So, submit, then, just what is material to the issue before us.

MR. TRACY: I will submit the documents to Mr. Miller and be bound by his decision as to whether he thinks they should be part of the record. We will agree on what might go into the record.

MR. MILLER: No problem on that, I am sure.

[20] MR. TRACY: Very well.

There has been reference to the fact that on July 13, 1972, the plaintiff Union was advised by the other defendants in this case, defendants other than my client, that at midnight July 23, 1972, the Howard Johnson Motor Lodge, Inc., and the Belleville Restaurant Company, Inc., would terminate their business.

I am also advised by counsel for co-defendants that on July 9, 1972, a notice was delivered to each employee of those two companies, the Howard Johnson Motor Lodge, Inc., which is really, as we have now established, a division of P.L. Grissom and Son, Inc., and employees of Belleville Restaurant Company. And they are short, brief notices, but I believe they should be a part of this record.

MR. MILLER: No objection.

MR. TRACY: On June 28, 1972, Howard Johnson, my client, wrote a letter to Fred Colombo, Esquire, attorney for the sellers in this transaction, which stated in part, "It is understood and agreed that the purchaser, Howard Johnson Company, will not recognize and assume any labor agreements between the sellers, Charles T. Grissom and P.L. Grissom and Son, Inc., and Belleville Restaurant Company, and any labor organizations. It is further understood and agreed the purchaser does not assume any obligations or liabilities of the sellers resulting from any labor agreements or unfair labor practices."

[21] I would submit this letter – again a brief letter – to Counsel, and propose that it be part of the record.

MR. MILLER: If I can see the letter now.

If your Honor please, I agree that that is a fact. I do not agree that it is material, relevant or binding upon ourselves.

THE COURT: Very well.

MR. MILLER: In other words, I am not going to make an objection to its introduction, I am reserving our legal position but I want the facts here.

MR. TRACY: Well, there was, as part of this transaction, a lease signed on June 16, 1972. There may have been two leases. Pursuant to our previous discussion, these documents will be at least encapsulated for purposes of this record.

The agreements, the license agreement and the operating agreement of 1959 and 1960, were terminated as part of the agreement between the defendants. And that termination, I believe, was effective July 24, 1972.

On July 10, 1972, a representative of my client, Howard Johnson, commenced interviewing applicants for employment. I believe ads had been placed in local newspapers. Notices were posted, including posting in the Lodge and Restaurant [22], and interviews took place in an Ann Arbor motel, and the hiring process commenced.

On July 18th, the first employee was hired. On July 20th, the first employees were placed on the payroll of Howard Johnson, my client; and training of employees commenced on that day.

At July 24th –

MR. MILLER: (interposing) If your Honor please, could we have numbers?

MR. TRACY: Well, at July 24, 1972 –

MR. MILLER: (interposing) And where the training occurred.

MR. TRACY: Training occurred in the Howard Johnson facility at Ann Arbor, Michigan.

The numbers I have are that on July 24th there were 33 employees of Howard Johnson, my client, other than supervisors, in the Restaurant which on July 24th my client had commenced to operate.

There were 12 in the Motor Lodge which on July 24th my client had commenced to operate.

Of the 33 in the Restaurant, nine were former Grissom employees. And of the 12 in the Motor Lodge, none were former employees of Grissom.

There was a completely new group of supervisors who were employees of my client. None of the [23] supervisory personnel of the seller, the prior owner, the Grissoms, continued in the operation or is now working for Howard Johnson, my client.

Mr. Miller suggested as a fact that the operation continued exactly the same. We cannot stipulate that. We agree that the operation on July 24th was in the same building which had been – or buildings – which had been operated by the Grissoms on July 23rd and prior. We agree that the name was the same. In the Restaurant, there was a different menu; because Howard Johnson does operate in a manner differently from franchisees of Howard Johnson. Franchisees may formulate such menus as they choose. They may operate the restaurnat in ways that they choose. So, the method of operation as far as menus, food preparation, services, is different.

Now, those are the only reservations I submit relative to the sameness or similarity of the operation.

MR. MILLER: We cannot agree that that is factually correct. It is our understanding that the franchise agreement controls the detail, the type of furniture, what may appear on the menu, the style of clothes the people may wear, the type, the foremat[sic], the layout, the exterior, the shape, the form of the building, the use of signs, what the signs look like, how they are typed; as a matter of fact, supplied materials for that purpose. That any variations that occurred in the method of operation could be the same kind of operation [24] between Howard Johnson Restaurants as they would be between new owner or old owner in terms of improvement or refinement of services. They could have been the same things that could have happened between a Monday and Tuesday under the same owner.

We cannot accept that that is a distinction.

MR. TRACY: We are trying to reach a stipulation of facts and I will continue to exert every effort to reach agreement, but I

do not accept the statements Counsel has made. There is not in any franchise agreement a requirement as to the kind of uniform a waitress in a restaurant must wear. And, in fact, I believe the uniforms worn in this restaurant were different when operated by the Grissoms than they are now that it is operated by Howard Johnson.

THE COURT: Mr. Miller, I take it your position is based on what your understanding of the license or franchise agreement, or whatever it might be called, is. Is that correct?

MR. MILLER: It is based on the license or the franchise agreement and it is based on my actual knowledge as to what the actual practices under the agreement are.

I might say as an attorney I have no personal knowledge of that, I have to rely on somebody that can afford that information to me, and my advisor is a person who has been in this business longer than I have been a lawyer. [25] And he advises me that that is not his understanding that that is a fact.

I would wonder how material it is; because I would think that on the basic question that we are talking about, we are probably not that far apart. I would think on the basic question, somebody drives up to that Howard Johnson Restaurant or drives up to that Howard Johnson Motel, they are not going to know that there has been any change in the ownership of that establishment unless somebody hung a sign out to tell them. Because from the point of view of third parties, namely the public, the continuity in operation, I would say, would be dramactically evidenced.

I have been in enough Howard Johnson Restaurants in my life, I would think it is almost a matter of judicial notice that when you go to one, you go to them all. As a matter of fact, that is what they advertise.

MR. TRACY: If the Court please, I think that that gets to the area of argument rather than fact.

I have stated the building was the same; the name on the front was the same. I think I have properly stated to the Court facts which state the changes made by my client when it com-

menced operation. Whether the public would notice those changes or whether a stranger would know that something was different is not something that I am including in this stipulation of facts. But I think I have [26] properly stated the facts relative to the nature of the operation. We have the license agreement and the operator's agreement, and I will be happy to submit them to Mr. Miller and he may call to the attention of the Court any matters which relate to the method of operation which he desires to do.

MR. MILLER: All I can say, your Honor, on this aspect of the stipulation, we cannot at this time agree.

I will go into the matter further with my client; and if it does turn out we can agree, I will do so.

I would suspect that our difference is not material.

THE COURT: Very well.

MR. TRACY: On July11, 1972, a Mr. Robert Corrigan – who I believe is a representative of the plaintiff Union – had a telephone conversation with a representative of my client. And Mr. Corrigan was advised that Howard Johnson Company would not recognize any collective bargaining agreement with the Union for either the Restaurant or the Motor Lodge. The wording was, "The Howard Johnson Company does not accept or recognize any alleged contracts for either the Restaurant or the Motor Lodge or any successor clauses contained therein. It will not recognize the Union as the bargaining representative [27] for the Restaurant or Motor Lodge unless or until it is certified by the National Labor Relations Board as the bargaining representative of employees in an appropriate union."

I am further advised that Mr. Corrigan stated that he understood the position of the Company and stated, "It looks like we have trouble."

So, I make only the point that the Union was notified at that time.

MR. MILLER: We would agree that that is correct.

We disagree that the discussion was that legalistic.

We agree that Mr. Corrigan did put them on notice that that would mean trouble.

We do agree that they said they would not adopt the collective bargaining agreement.

We don't admit that anybody read to anybody a prepared statement about alleged practices and things like that.

To that extent, we have an agreement.

I would offer further that there were conversations between Mr. Sugerman and Mr. Burks later for purposes of again raising the issues that were raised with Mr. Corrigan.

[28] MR. TRACY: I do not know what facts Mr. Miller wants in this record relative to any discussion between Mr. Sugerman – who is an associate of Mr. Miller – and my client. I agree that there was a telephone discussion instituted by Mr. Sugerman on July 20th. He made some inquiries relative to whether Howard Johnson was going to operate. And there was a further call from Mr. Sugerman on July 21st, stating that he was planning to go to court.

Those, so far as I know, there are no facts that go to the legal issues that are to be decided by this Court which relate to those conversations.

But if Mr. Miller has some specific facts, I will be glad to listen to them.

MR. MILLER: We agree that that is correct.

We agree that we are in agreement now that these were further conversations between the parties.

MR. TRACY: I think it has been made clear that the notices to employees of the Grissoms were handled by the Grissom people; and that Howard Johnson, my client, had nothing to do with that.

There was an allegation in the complaint that we did terminate such employees; and we denied it; and Mr. Miller did not include that provision of the complaint in his stipulation. So I think

it is clear and will be made [29] clear by these notices.

Now, Mr. Miller also stated that this was a return to Howard Johnson of the operation of the Motor Lodge and Restaurant. And the fact is, my client had never had anything to do with that operation prior to July 24th, except as will be disclosed by the license agreement and the operator's agreement. That was the commencement of operation as far as my client is concerned.

Now, your Honor, as far as I know, those facts will include everything pertinent to the legal questions to be decided by you.

I think the basic legal question is: Is Howard Johnson Company, Incorporated, obligated to arbitrate, to participate in arbitration of disputes, under the two collective bargaining agreements which are attached to the complaint, which were between the Union and other parties, under the legal precedence involved; We are prepared to argue that question.

MR. MILLER: If your Honor please, with reference to Mr. Tracy's proposal, I accept that proposal except for those portions which I have already stated on the record I do not accept or which require further amplification.

I do believe that there are enough facts before the Court in which there is mutual agreement to frame the issue for the Court as to the legal question involved. And for that purpose, I am prepared to argue at this time.

[30] THE COURT: How much time do you gentlemen want on argument?

MR. MILLER: My argument will be extensive.

THE COURT: Let me put it another way. How much time do you think is necessary?

MR. MILLER: I would say at least half hour.

THE COURT: Mr. Colombo, I take it you won't need much time.

MR. COLOMBO: I don't believe, under these circumstances.

THE COURT: Mr. Tracy.

MR. TRACY: I don't think it would take me more than a half hour on my part, and maybe less.

Excuse me, your Honor, I don't want to interrupt your chain of thought. I know that both parties have submitted briefs to you already. Those were primarily aimed at the preliminary question which was presented on the motion which brought us here this morning. I do not know whether you contemplate further briefs on the ultimate question. I don't want to delay the proceeding, but it may well be that briefing should supplement the oral arguments.

THE COURT: Well, I can assure you that I will permit you to file any supplemental briefs, gentlemen. [31] And certainly there will have to be some work done on the documents so far as we mentioned, the exhibits.

Would Wednesday afternoon be long enough for you to do that?

MR. MILLER: To have the supplemental documents?

THE COURT: Supplemental documents and any briefs.

MR. MILLER: I would think so. As a matter of fact, I would think my argument would almost take the place of a brief.

THE COURT: Would you require any more time than that?

MR. TRACY: That would be satisfactory.

THE COURT: All right, we will plan it that way, then, gentlemen.

Well, gentlemen, we are going to have to adjourn now until 2:00 so I can adjourn my cases that I already have set this afternoon. We have six or eight pretrials set.

So, I think we will break now and meet again at 2:00 so that I can head off all those lawyers.

Court is in recess.

[Certification of Court Reporter Omitted]

* * *

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, *Plaintiffs,* v. Howard Johnson Company, Inc., a Maryland corporation; Howard Johnson Motor Lodge, Inc., a Michigan corporation; and Belleville Restaurant Company, Inc., a Michigan corporation, *Defendants.*	Civil Action No. 38654

MEMORANDUM OPINION
Filed August 22, 1972

(Memorandum Opinion of the United States District Court Appears as Appendix B, pages 13a - 26a of Petitioner's Petition for Certiorari)

* * *

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, *Plaintiffs,* -vs- Howard Johnson Company, Inc., a Maryland Corporation; P. L. Grissom & Son, Inc. and Belleville Restaurant Company, Inc. Michigan corporations, *Defendants.*	Civil Action No. 38654

ORDER

Filed August 22, 1972

(Order of the United States District Court Appears as Appendix C, pages 27a-28a of Petitioner's Petition for Certiorari)

* * *

NOTICE OF APPEAL

Filed September 5, 1972

(Title Omitted in Printing)

Notice is hereby given that Howard Johnson Company, Inc., a Maryland corporation, the first Defendant above named, hereby appeals to the United States Circuit Court of Appeals for the Sixth Circuit from the Order requiring it and the other two Defendants to:

> "... arbitrate with Plaintiff, Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, issues arising under the collective bargaining agreements between Plaintiff and Defendants, Belleville Restaurant Company, Inc. and P.L. Grissom & Son, Inc., effective January 1, 1968 and August 1, 1968, respectively, relating to the obligation and liability of Defendants to Plaintiff and to the employees represented by Plaintiff under the provisions contained in the aforesaid agreements pursuant to the Memorandum Opinion of the Court issued on August 22, 1972."

which Order was entered in this action on the 25th day of August, 1972.

DYKEMA, GOSSETT, SPENCER,
GOODNOW & TRIGG

By /s/ JAMES D. TRACY

James D. Tracy
Attorneys for Defendants
2700 Penobscot Building
Detroit, Michigan 48226
963-6040

Dated: September 5, 1972

* * *

MOTION TO STAY ORDER TO ARBITRATE

Filed September 7, 1972

(Title Omitted in Printing)

Defendant, Howard Johnson Company, Inc., by its attorneys Dykema, Gossett, Spencer, Goodnow & Trigg, pursuant to Federal Rule of Civil Procedure 62(a) and (c) moves this Court to stay the execution of its Order to Arbitrate dated August 25, 1972, pending the disposition of Defendant's appeal for the following reasons and upon the following grounds:

1. The legal question involved is a novel one of major significance to labor law. The Supreme Court has decided two cases *John Wiley & Sons* v *Livingston*, 376 US 543, 84 S Ct 909, 11 L Ed 2d 898 (1964) and *NLRB* v *Burns International Sec Serv Inc.*, 40 US Law Week 4499, S Ct, May 15, 1972, which raise serious legal questions as applied to the present case. These questions should be resolved by full appellate review, prior to Defendant being required to arbitrate.

2. Defendant will suffer irreparable financial detriment if required to arbitrate and if required to comply with an arbitrator's award, if it is subsequently determined that Defendant should not have been required to arbitrate in the first instance.

3. The detriment to Plaintiff and its members is not irreparable since a substantial number of employees of Defendants P.L. Grissom & Son, Inc. and Belleville Restaurant Company have already declined employment by Defendant Howard Johnson and any others could be made whole by monetary damages. On the other hand, any arbitration which would affect the rights of Defendant Howard Johnson's present employees would seriously prejudice them and they would be without recourse either before this Court or an Appellate Court.

4. Traditionally, appellate review of an arbitrator's award is very limited. Such review does not include the merits of the dispute unless the arbitrator has clearly exceeded his authority. However, at this time the district court has not specifically delineated the matters that must be arbitrated even though

arbitration has been ordered. A review at this time by the appellate process would serve to define that which is to be arbitrated.

Counsel for Defendant has sought, but has not been able to receive concurrence of counsel for Plaintiff to grant this motion.

Therefore, for the reasons above stated, Defendant respectfully requests that the Court stay the Order to Arbitrate it has granted until there has been full appellate review of its decision.

DYKEMA, GOSSETT, SPENCER,
GOODNOW & TRIGG

By /s/ JAMES D. TRACY
James D. Tracy

And /s/ RONALD J. SANTO
Ronald J. Santo

Individually and for the Firm
Attorneys for Defendant Howard
Johnson Company, Inc.
2700 Penobscot Building
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963-6040

* * *

PLAINTIFF'S ANSWER TO DEFENDANT'S MOTION TO STAY ORDER TO ARBITRATE

Filed September 28, 1972

(Title Omitted in Printing)

NOW COMES Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, plaintiff herein, by and through its attorneys, Miller, Klimist, Cohen, Martens and Sugerman, P.C., and answers the Motion to Stay Order to Arbitrate filed herein by defendant Howard Johnson Company, Inc., as follows:

1. Answering Paragraph No. 1, plaintiff denies the same as a statement of fact and as a conclusion of law.

2. Answering Paragraph No. 2, plaintiff denies the same and further states that the plaintiff will suffer irreparable injury if defendant's Motion to Stay Order to Arbitrate is granted.

3. Answering Paragraph No. 3, plaintiff denies that a "substantial" number of defendants's employees were offered or have declined employment. Only six out of fifty-four employees have been offered employment and they have declined to accept employment with defendant, not because they do not want to work for defendant, but rather to support and demonstrate their unity with their forty-eight fellow employees who have not been offered their jobs back.

4. Further answering Paragraph No. 3, plaintiff denies that these employees could be made whole by monetary damages. Money damages are no substitute for an early resolution of this dispute by arbitration. Money damages cannot remedy the uncertainty which defendant's actions have injected into the lives of the employees, which uncertainty would only be aggravated and prolonged should this Honorable Court's Order to Arbitrate be stayed. More significantly, defendant's Motion ignores the obvious direct injury to the integrity of the grievance and arbitration procedure which plaintiff bargained for and won in its collective bargaining agreement in exchange for a no-strike pledge.

5. Further answering Paragraph No. 3, plaintiff denies the allegation with regard to defendant's "present" employees and

the alleged prejudicial effect which prompt arbitration would have on them. Only if the Arbitrator should order the reinstatement of the employees represented by plaintiff will defendant's present employees be prejudiced. That result, however, is speculation and conjecture at this point in the proceedings. However, even if the Arbitrator orders the reinstatement of the employees represented by plaintiff, that event will follow as a result of the actions of defendant complained of by plaintiff in its Complaint before this Court.

6. Further answering Paragraph No. 3, plaintiff admits that defendant's present employees would be without recourse as individuals. They would, however, be the beneficiaries of defendant's efforts before this Court and on appeal. In any event, as stated previously, even if they were without any recourse, their injury would come as a result of defendant improperly hiring them and would permit defendant to postpone its obligation to arbitrate because of its own conduct.

7. Answering paragraph No. 4, plaintiff denies that this Honorable Court has failed to adequately delineate the matters to be arbitrated and further denies that appellate review would serve to define that which is to be arbitrated. Moreover, the review sought by defendant on appeal does not propose to request the Court of Appeals to provide a clearer definition of the matters to be arbitrated. On the contrary, defendant has requested the Court of Appeals to reverse this Honorable Court's Order to Arbitrate.

WHEREFORE, plaintiff respectfully requests that defendant's Motion to Stay Order to Arbitrate be denied.

Respectfully submitted,

MILLER, KLIMIST, COHEN,
MARTENS & SUGERMAN

By /s/ DONALD F. SUGERMAN

Donald F. Sugarman[sic]
Attorneys for Plaintiffs
2460 First National Building
Detroit, Michigan 48226
965-7540

Dated: September 28, 1972

* * *

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

DETROIT LOCAL JOINT EXECUTIVE BOARD, HOTEL AND RESTAURANT EMPLOYEES AND BARTENDERS INTERNATIONAL UNION, AFL-CIO, *Plaintiff,* vs. HOWARD JOHNSON COMPANY, INC., a Maryland corporation; HOWARD JOHNSON MOTOR LODGE, INC., a Michigan corporation; and BELLEVILLE RESTAURANT COMPANY, INC., a Michigan corporation, *Defendants.*	Civil Action No. 38654

MEMORANDUM AND ORDER GRANTING STAY PENDING APPEAL
Filed October 3, 1972
(Memorandum and Order of the United States District Court Appears as Exhibit D, Pages 29a-31a of Petitioner's Petition for Certiorari)

* * *

NO. 72-2009

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

Detroit Local Joint Executive Board, Hotel and Restaurant Employees and Bartenders International Union, AFL-CIO, *Plaintiff-Appellee,* v. Howard Johnson Company, Inc. *Defendant-Appellant.*	Appeal From The United States District Court For The Eastern District of Michigan

Decided and Filed July 12, 1973

(Decision of the United States Court of Appeals for the Sixth Circuit appears as Appendix A, pages 1a-12a of Petitioner's Petition for Certiorari)

* * *

**SALES AGREEMENT BETWEEN
P. L. GRISSOM & SON, INC. AND
BELLEVILLE RESTAURANT COMPANY AND
HOWARD JOHNSON COMPANY**

THIS AGREEMENT made and entered into as of the 16th day of June, 1972, by and between CHARLES T. GRISSOM, Detroit, Michigan and P.L. GRISSOM & SON, INC., a Michigan corporation, jointly and BELLEVILLE RESTAURANT COMPANY, a Michigan corporation, jointly, hereinafter referred to as the "Sellers", and HOWARD JOHNSON COMPANY, a Maryland corporation, having a principal office at 1 Howard Johnson Plaza, Boston, (Dorchester), Massachusetts 02125, hereinafter referred to as the "Purchaser".

The Sellers hereby agree to sell to the Purchaser, and the Purchaser hereby agrees to purchase from the Sellers, chattels, fixtures, furniture, furnishings, equipment, machinery, appliances, implements, utensils, silverware, china, linen inventory and all other personal property belonging to the Sellers and located in, or used in connection with a Howard Johnson's Motor Lodge located at 45945 Willow Run Expressway, Belleville, Michigan, and a Howard Johnson's Restaurant located at 45915 Willow Run Expressway, Belleville, Michigan or property more particularly described in Schedule I and II annexed hereto and made a part hereof, and the appurtenances thereof and thereto, respectively in the above mentioned and described premises, on the following terms and conditions:

I. The purchase price shall be the sum of Ten Dollars ($10.00) and the consideration of entering into these certain Lease Agreements as hereinafter set forth.

II. Concurrently with the delivery of the Bill of Sale, as hereinafter provided, the Sellers shall deliver to the Purchaser the following documents and instruments, all of which shall be duly executed and acknowledged, and be in recordable form:

A. Leases which shall be in the identical form and substance as the proposed Leases which have been intialled[sic] by the parties hereto and are hereto annexed, marked Exhibit "A" and Exhibit "B" respectively and hereby made a part of this Agreement, with the dates and other blanks appropriately filled in.

Said Leases shall be duly executed and acknowledged by the fee owner of the land, and by the Purchaser as Lessee.

B. Declarations of Lease which shall be in the identical form and substance as the proposed Declarations of Lease which have been initialled by the parties hereto and are hereto annexed marked Exhibit "C" and Exhibit "D" respectively and hereby made a aprt of this Agreement, with the dates and other blanks appropriately filled in.

C. Written agreements providing for the effective surrender, cancellation and termination of any and all leases affecting or covering the premises to be demised to the Purchaser under the Leases mentioned in Subdivision A of this Paragraph, or any part thereof.

D. Certified copies of resolutions adopted by, or certificates of vote by the Stockholders and Directors of the corporate Seller, approving and authorizing this sale and the execution and delivery of this Agreement and any and all other papers and documents related thereto or connected therewith.

E. An agreement in writing providing (a) for the effective surrender, cancellation and termination of the Motor Lodge License Agreement dated December 7, 1959, by and between HOWARD JOHNSON'S MOTOR LODGES, INC., a Delaware corporation, therein called "Company" and CHARLES T. GRISSOM and P.L. GRISSOM & SON, INC., therein called "Licensee", covering among other things, the operation of said Howard Johnson's Motor Lodge upon the said premises, as more particularly described therein, and (b) for the effective surrender, cancellation and termination of the Operator's Agreement by and between HOWARD D. JOHNSON COMPANY, a Massachusetts corporation, therein called "Company", and BEN BIBB and P.L. GRISSOM and BELLEVILLE RESTAURANT COMPANY, therein called "Operator" and covering among other things the operation of said Howard Johnson's Restaurant upon the said premises, as more particularly described therein.

III. Concurrently with the execution and delivery of this Agreement, the Sellers shall deliver to the Purchaser:

A. Copies of the latest existing title insurance policy from a reputable title company doing and authorized to do business in the State of Michigan, certifying the title and evidencing that the Lessor named in the Leases mentioned in Subdivision A of this Paragraph has good and marketable title to the fee of aforementioned and described free and clear of any and all liens and encumbrances of any kind or nature whatsoever.

Anything to the contrary, notwithstanding however the personal property, merchandise, chattesl[sic], fixtures, furniture, furnishings equipment, machinery, appliances, implements, utensils, silverware, china, linen and all other property to be sold, transferred and conveyed to the Purchaser pursuant to this agreement shall be delivered to the Purchaser free, clear and discharged of any and all mortgages, liens, encumbrances and debts whatsoever.

B. The latest prints or maps of a survey of each of the properties owned or leased by the Sellers, as aforesaid, which comprise the premises to be demised to the Purchaser as aforesaid.

IV. The Sellers hereby warrant and represent that at the time of the delivery of the Bills of Sale as hereinafter provided, the Sellers will have no creditors nor owe any money to any person, firm or corporation, except for unpaid real property taxes and personal property taxes. The Sellers hereby further warrant and represent that the Sellers have paid in full for all merchandise, chattels, fixtures, furniture, furnishings, equipment, machinery, appliances, implements, utensils, silverware, china, linen and all other property to be sold, transferred and conveyed to the Purchaser pursuant to this Agreement.

The Sellers hereby further warrant and represent that there are no claims, liens, encumbrances, taxes or violations of law or municipal ordinances or governmental orders, rules, regulations or requirements, upon, against or affecting the premises to be demised to the Purchaser, as aforesaid, or the said motor lodge and motor lodge business or the said restaurant and restaurant business, or any of the property hereby sold to the Purchaser, and the Sellers can and will convey and transfer same to the Purchaser free and clear of and from any and all claims, liens, encumbrances, taxes and violations as aforesaid, except for accrued but unpaid

real property taxes and personal property taxes hereinbefore mentioned or those set forth in the attached schedules and described in Paragraph III of the Agreement. Concurrently with the delivery of the Bills of Sale as hereinafter provided, the Sellers shall execute and deliver to the Purchaser an affidavit to the effect that the Sellers have no creditors and owe no money to any person, firm or corporation, and that the aforementioned premises to be demised to the Purchaser, as aforesaid, and said motor lodge, restaurant and all property hereby sold are free and clear of and from any and all claims, liens, encumbrances, taxes, and violations except as aforesaid. The Sellers hereby further convenant and agree that the Sellers shall and will hold the Purchaser free and harmless of and from, and will indemnify the Purchaser against, the claims of any creditors of the Sellers or any other person, firm or corporation, and of, from and against the payment of any liens, encumbrances or taxes which are or may be or become due from the Sellers, and of, from and against the removal and/or correction of any violations of law or municipal ordinances or governmental orders, rules, regulations or requirements, arising out of the Sellers' ownership, maintenance and operation of the aforementioned motor lodge business and the said demised premises and all property hereby sold or arising out of the sale, convenyance and transfer of the same to the Purchaser. The provisions of this Paragraph shall survive the delivery of the Bills of Sale.

V. The Sellers shall pay any and all taxes which are levied, assessed or imposed by any governmental authority having jurisdiction, upon or by reason of the sale, conveyance or transfer of any of the property pursuant to this Agreement or by reason of the Lease of said motor lodges.

VI. A. The Bills of Sale shall be in the usual form containing affidavits of title, warranty of title, and a warranty of freedom from any and all claims, liens, encumbrances and taxes, except those taxes payable after the delivery of the Bills of Sale and shall be duly executed and acknowledged by the Sellers. Said Bills of Sale together with the fully and duly executed and acknowledged documents, agreements, consents and papers mentioned and described in Paragraph II hereof, and the affidavit mentioned and described in Paragraph IV hereof, shall be delivered to the Purchaser at its office located at 220 Forbes Road, Braintree, Massachusetts 02184, thirty (30) days after the date of this Agree-

ment. In the event the Sellers shall fail, refuse or neglect to deliver said Bills of Sale, documents, agreements, consents, affidavits and papers thirty (30) days after the date of this Agreement, in a form and substance satisfactory to Counsel for the Purchaser, as aforesaid, the Purchaser shall have the right, at its election, to cancel and terminate this Agreement by written notice to the Sellers.

B. Within fifteen (15) days after delivery of said Bills of Sale, documents, agreements, certificates, consents, affidavits and papers to the Purchaser in form and substance satisfactory to Counsel for the Purchaser the Purchaser shall pay to the Sellers the purchase price of Ten Dollars ($10.00) aforementioned.

VII. If at the time for payment of the said Ten Dollars ($10.00) by the Purchaser to the Sellers, representing the purchase price as hereinbefore provided, any sums of money shall be due or payable by the Sellers to the Purchaser or any of the Purchaser's affiliates or subsidiaries including but not limited to Howard D. Johnson Company, Howard Johnson Motor Lodges, Inc., and Landmark Supply Corp. for any reason whatsoever, including but not limited to royalty fees and additional royalty fees under the aforementioned Motor Lodge License Agreements, or to the sale of goods, wares, merchandise or other personal property, or to payments under sign or reservation agreements or to services rendered, then and in such event, the Purchaser shall have the right and is hereby authorized to deduct and retain the entire amount that shall be so due or payable to the Purchaser or any of its affiliates or subsidiaries, as aforesaid, from said balance of the purchase price and the Purchaser shall be required to pay to the Sellers only the difference in full payment of the purchase price hereunder.

VIII. Concurrently with the receipt of said purchase price to be paid to the Sellers on delivery of the Bills of Sale, the Sellers shall deliver full and complete physical possession of the said motor lodge restaurant and of the said premises demised to the Purchaser, as aforesaid, and all the other property sold to the Purchaser, as aforesaid, free and clear of any and all claims of creditors or other persons, firms or corporations, taxes, liens, encumbrances and violations, except as aforesaid.

IX. Concurrently with the delivery of the Bills of Sale as hereinbefore provided, the Sellers shall assign to the Purchaser all of the Seller's right, title and interest in and to any and all telephone numbers, including but not limited to the telephone numbers, which presently are used in connection with the conduct, maintenance and operation of the said motor lodge, motor lodge business, restaurant and restaurant business, upon the said premises, and the Sellers shall execute and deliver to the Purchaser a written instrument evidencing and accomplishing such assignment, without cost or expense to the Purchaser.

X. All other items noramlly adjusted will be adjusted at the time of the execution of documents. The net adjustment will be paid within thirty (30) days of closing.

XI. This Agreement and the closing thereunder and the payment of the purchase price to the Seller are conditioned and contingent upon the obtaining of the transfer of the existing liquor license by the Purchaser from the governmental authorities having jurisdiction thereof which will authorize and permit the Purchaser to sell, purvey, dispense and otherwise distribute alcoholic beverages and alcoholic liquors of every kind, nature and description whatsoever for on-premises consumption in connection with the conduct and operation of the Restaurant business upon the premises to be demised to the Purchaser as aforesaid. The Seller has advised the Purchaser that the liquor license presently covering the said premises is in the name of BELLEVILLE RESTAURANT CO., INC. The Seller hereby convenants and agrees to cause said liquor license held by said BELLEVILLE RESTAURANT CO., INC., as aforesaid, to be transferred to the Purchaser without any cost or expense to the Purchaser so that the Purchaser will be authorized and permitted by the governmental authorities having jurisdiction thereof, to sell, purvey, dispense and otherwise distribute alcholic[sic] beverages and alcholic[sic] liquors of every kind, nature and description whatsoever, for on-premises consumption, in connection with the conduct and operation of the Restaurant business upon the premises to be demised to the Purchaser, as aforesaid. The Purchaser will make application for such liquor license and the Seller agrees to execute and deliver or cause to be executed and delivered any and all documents or other papers that may be required by the governmental authorities

having jurisdiction thereof. It is hereby further understood and agreed that in the event that after application to the governmental authorities having jurisdiction thereof, the Purchaser shall not have obtained or secured a transfer of the existing liquor license for the purposes aforesaid prior to October 1, 1972, or in the event that the governmental authorities shall fail, refuse or neglect to issue a transfer to the existing liquor license to the Purchaser for the purposes aforesaid, prior to October 1, 1972, then and in such event or events, the Purchaser shall have the right at its election, upon thirty (30) days written notice, to cancel and terminate this Agreement and thereupon the parties hereto shall be relieved and released of and from any and all obligations or liability thereunder, and all sums paid hereunder shall be returned to Seller.

XII. This Agreement may not be changed, modified, amended or altered except by a writing signed by the parties hereto, nor shall any waiver be valid or enforceable unless in writing, signed by the parties to be charged thereby.

XIII. The value of Seller's stock of liquor shall be determined by the a physical inventory thereof to be taken by two persons hereinafter referred to as the "Inventory Crew". One of whom shall be designated by seller and the other by purchaser. Said inventory shall be taken as hereinafter provided and shall include only such stock as is merchantable and saleable. The price of said stock of liquor shall be the net cost thereof to the seller. Said inventory crew shall submit to the seller and the purchaser, immediately after the completion of said physical inventory, a list in writing setting forth in detail the close stock of liquors together with the quanity[sic] of each such item and the price thereof. The total of said prices shall be the sum payable by the purchaser for said stock at the time the purchaser takes possession of the premises and commences operations. The purchase price for the liquor inventory shall be paid within fifteen (15) days after the transfer of the existing liquor license to the purchaser; provided, however, that the payment of the purchase price for said inventory shall not exceed Five Thousand ($5,000.00) Dollars.

XIV. The Lessee hereby agrees to assume and pay a certain indebtedness owed by Lessor to Landmark Supply, a wholly owned subsidiary of Howard Johnson Company and to hold

Lessor harmless therefrom; provided, further that the Lessor represents that the said sum due and owing to Landmark Supply does not exceed the sum of Nine Thousand ($9,000.00) Dollars.

XV. Lessee agrees to assume and pay any and all sums due and owing under the following contracts from and after the commencement date of those certain Lease Agreements as hereinbefore and hereafter set forth:

1. Detroit Terminals Advertising Co. for Howard Johnson Motor Lodge of Belleville dated April 12, 1972 and terminating May 16, 1973 with monthly payments of $280.00;

2. Central Advertising Company dated September 24, 1969, terminating October, 1972 with monthly payments of $525.00;

3. Eller Outdoor Advertising Co. dated February 21, 1970, terminating February, 1973 with monthly payments of $405.00;

4. Philco Ford Corporation dated May 28, 1971, terminating April, 1976 with monthly payments of $555.10 and option to purchase;

and to hold lessor free and harmless from any and all claims made by a party to said contracts.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above mentioned.

WITNESSES: P. L. GRISSOM & SON, INC.

By: /s/ P. L. GRISSOM
President

Attest:

/s/ CHRISTINE OLSEN /s/ CHARLES T. GRISSOM
Secretary

/s/ CHARLES T. GRISSOM (SEAL)
Charles T. Grissom

BELLEVILLE RESTAURANT COMPANY

/s/ CHRISTINE OLSEN By: /s/ P. L. GRISSOM
President

Attest:

/s/ CHARLES T. GRISSOM
Secretary

/s/ CHRISTINE OLSEN _____ (SEAL)
Ben Bibb

_____ /s/ P.L. GRISSOM (SEAL)
As to "Sellers" P.L. Grissom

HOWARD JOHNSON COMPANY

By: /s/ EUGENE J. DURGIS
Vice President

Attest:

/s/ JAMES M. SACCO /s/ JOSEPH V. CRONIN
As to "Purchaser" Asst. Secretary

* * *

HOWARD D. JOHNSON COMPANY
OPERATOR'S AGREEMENT

AGREEMENT made the 18th day of August 1960, by and between HOWARD D. JOHNSON COMPANY, a Massachusetts corporation, with a place of business in Quincy, Norfolk County, Massachusetts, (herein called "Company") and BEN BIBB and P. L. GRISSOM, both of Detroit, Michigan, and BELLEVILLE RESTAURANT CO., a Michigan corporation, jointly, (herein called "Operator"), owner, lessee or tenant of the premises described as follows:

> A certain tract or parcel of land situated in the Town of Belleville, Michigan, bounded and described as follows: That part of the N.E. 1/4 of Section 21, T. 3S., R. 8E., Van Buren Twp., Wayne County, Michigan, described as: BEGINNING at a point distant N. 88° 31' 15" E. 1134.06 feet and S. 0° 26' 45" E. 113.02 feet from the North 1/4 corner of said section and proceeding thence S. 0° 26' 45" E. 200.00 feet; thence N. 88° 31' 15" E. 230.00 feet; thence N. 0° 26' 45" W. 200.00 feet; thence S. 88° 31' 15" W. 230.00 feet to the point of beginning, containing 1.055 acres more or less.

Witnesseth That

WHEREAS the Company is engaged in the business of manufacturing and selling, under the name "HOWARD JOHNSON'S", ice cream, candy, foods, fountain syrups, and other commodities which are now or may hereafter be offered for sale or consumption in connection with or as incidental to the sale of such products, and containers, implements, equipment, merchandise and other articles used or useful in connection with the same; and

WHEREAS the Company, by reason of its maintenance of high standards of quality for the goods so manufactured and sold and for any goods of others offered for sale therewith and its maintenance of high standards of service in connection with such sale, whether sold at stores owned by the Company or at stores of others operated under supervision of the Company, has built up over a period of years a substantial demand for its products at supervised stores operated under the name "HOWARD JOHNSON'S," at which stores said standards of quality and service are maintained; and

WHEREAS the Operator, being fully informed as to the Company's good reputation and legal rights, desires, upon the terms and conditions hereinbelow set forth, to enter into the business of conducting a restaurant and/or dairy bar, and of selling at and from the premises above-described, under the name "HOWARD JOHNSON'S" and subject to the supervision of the Company, ice cream, candy, foods, fountain syrups, and other products manufactured or sold by the Company, and other merchandise of a quality approved by the Company, all in accordance with standards of service approved by the Company; and

WHEREAS the Company is ready and willing at the Operator's request to join in creating a new outlet for the distribution and sale of the aforesaid products, upon the terms and conditions hereinbelow set forth;

NOW, THEREFORE, the parties hereto, in consideration of the mutual agreements herein contained and promises herein expressed, and for other good consideration acknowledged by each of them to be satisfactory and adequate, do hereby agree as follows:

1. So long and only so long as this agreement shall remain in force and effect, the Company shall determine and approve standards of quality for all commodities bought, used or sold on the above-described premises, standards of service in connection with their sale, and standards of quality and utility for all furnishings and equipment used on said premises in connection with such sale, and the Operator shall conform to said standards, and the Company may supervise the operation of the Operator's business at the above-described premises. The Operator shall continuously operate the business on the above-described premises upon such days and during such hours as the Company shall determine. The Company's supervisory personnel shall have the right to enter upon the premises at any time for the purpose of examining the same, conferring with the Operator's employees, and inspecting and checking merchandise, furnishings, equipment, and operating methods, in all divisions and departments, and determining whether the business is being conducted in accordance with the aforesaid standards and in accordance with this agreement.

2. So long as this agreement shall remain in force and effect, the Operator will purchase from the Company any and all products manufactured or sold by the Company which the Operator may need for use or sale at or from the place of business described above and the Operator shall pay therefor at standard prices from time to time fixed by the Company, in full, upon delivery at said place of business. The Operator will diligently promote and make every reasonable effort steadily to increase the sale of said products. There is attached hereto, marked "Schedule A", a list of the principal products now being manufactured or sold by the Company which conform to the aforesaid standards, but said list may at any time be added to or subtracted from by the Company. The Operator is not bound to purchase all supplies from the Company, except as aforesaid, but is bound to sell only goods which conform to the Company's standards. The Operator will not sell under the name "HOWARD JOHNSON'S" at or from the above-described premises any products other than those above-described, and will not sell at or from the above-described premises any products manufactured or sold by others than the Company unless the same conform to standards of quality approved by the Company.

3. So long and only so long as this agreement shall remain in force and effect, the Operator shall use the said premises exclusively for a restaurant and/or dairy bar business and may advertise the above-described place of business under the name of "HOWARD JOHNSON'S" and may use on said premises, in behalf of the Company, the Company's trade names, trademarks, designs, advertising, and form of structure. All advertising matter shall be submitted to and approved by the Company prior to publication. The Operator acknowledges the validity and the ownership in the Company of said trade names, trademarks, designs, advertising, and form and combination of color and structure, and agrees that upon termination of this agreement for whatever cause the permission to use the same as aforesaid and all interest therein whatsoever shall cease and be at an end. The Operator shall not allow the described premises or any part thereof to be used for any immoral or illegal purpose, and shall not allow, suffer or permit the same to be used for any purpose, business, activity, use, function or object not approved in writing by the Company.

4. If the above-described premises shall be under lease by the Operator from a third party, said lease shall be submitted to the Company for examination and no substitute or change in the lease, or assignment or sub-lease, shall be entered into by the Operator without the written approval of the Company.

5. If any building is to be constructed or altered upon the above-described premises, the Company may furnish plans and specifications therefor and may supervise the construction or alteration in conformity therewith. The Operator shall not undertake any construction, reconstruction or alteration of the building or premises without the written approval of the Company, and no change shall be made in any plan or specification for construction or alteration without the written consent of the Company. Any initial construction shall begin within two months from the date hereof and shall be completed and ready for occupancy (unless prevented by fire, strike, act of God, or other casualty beyond the Operator's control) within six months thereafter. The Operator shall install and use upon the premises only such equipment and furnishings as shall conform to standards of quality and utility approved by the Company.

6. The Operator will conduct business upon the above-described premises in accordance with the aforesaid standards, approved by the Company, and in accordance with the Company's supervisory regulations and instructions. The Operator will repair and paint the exterior and interior of the buildings upon the premises at reasonable time upon the request of the Company, and at all times will mainain the interior and exterior of the buildings and the surrounding premises in a clean, orderly, and sanitary condition satisfactory to the Company. At its own expense, the Operator will prominently display in and upon the land and buildings at the above-escribed premises, "HOWARD JOHNSON'S" advertising signs, of such nature, form, color, number, location, and size and containing such material as the Company shall direct or approve in writing; and the Operator will not display in or upon the said premises or elsewhere any sign or advertising media of any kind to which the Company objects. The Company, or its authorized agents, may at any time enter upon the said premises and remove any objectionable signs or advertising

media, or signs which the Company has loaned to the Operator, and may keep or destroy such signs or other media without paying therefor or without being deemed guilty of trespass or any other tort.

7. The Operator shall deliver to the Company monthly statements of sales and other monies received from the operation of all business at the above-described premises and within thirty (30) days following the end of each succeeding full year of the term of this agreement a statement of yearly gross sales which shall be certified to by the Operator and by a certified public accountant. The Operator shall keep at the premises true and accurate records and accounts which shall show all sales made and all gross receipts from the business upon and within the described premises. Said books and accounts shall be available to the Company and its authorized auditors or agents for inspection at all reasonable times.

8. So long as this agreement shall remain in force and effect, the Operator will not, except with the consent in writing of the Company, engage in any business the same as or similar to the business covered by this agreement at any place other than the premises above-described in the State in which said premises are located or at any place in a State contiguous to said State; the Operator will not employ nor seek to employ any person who is at the time employed by the Company or by any other Operator who is at the time operating a business under the name "HOWARD JOHNSON'S", and will not, directly or indirectly, induce any such person to leave his or her employment as aforesaid.

9. The Operator will place with a duly qualified insurance company and keep in full force and effect during the life of this agreement, public liability insurance in amounts of not less than One Hundred Thousand ($100,000.) Dollars in case of damage or injury to one person, nor less than Three Hundred Thousand ($300,000.) Dollars in case of damage or injury to more than one person, for the benefit of the Company and/or HOWARD D. JOHNSON (as well as for the benefit of the Operator) covering liability of all kinds including claims on account of foreign substances in or spoilage of food or drink and will lodge with the Company the policies or certificates of such insurance.

10. So long as this agreement shall remain in force and effect the Operator will not, without the consent in writing of the Company, mortgage, pledge, or otherwise assign as security the premises above-described or any part thereof, or the equipment or furnishings located and used therein or any interest which the Operator may have in any part thereof.

11. So long as this agreement shall remain in force and effect, the Operator will not sell, transfer, assign, lease or sublet nor offer to sell, transfer, assign, lease or sublet, any interest in the said premises or any part thereof, or in the business thereon conducted, or in the equipment or furnishings located therein, without in each instance first offering the same to the Company, exclusively, at a stated price and on stated terms, which offer the Company may accept at any time within sixty days, and if the Company does not accept such offer, the Operator may within thirty days thereafter, sell, transfer, assign, lease or sublet such interest as the case may be, but not at a lower price nor on more favorable terms than have been offered to the Company, and in no event shall the Operator offer the said premises or any interest therein, or in the business conducted thereon, or in the equipment or furnishings therein, for sale or transfer at public auction, nor at any time shall an offer be made to the public to sell, transfer, assign, lease or sublet, through the medium of advertisement, either in the newspapers or otherwise, without having first obtained in writing the permission of the Company to such advertisement or publication.

If the Operator wishes prior to the termination of this agreement to discontinue business as aforesaid on the premises above-described, for any reason other than the lease, sale, or transfer thereof to another, the Operator must give to the Company sixty days' written notice thereof, accompanied by an offer to sell to the Company the Operator's entire interest in said premises and all property used thereon. If upon such offer the parties are unable to agree as to a purchase price and terms, the fair value of said premises and property shall be determined by three arbitrators, each party selecting one arbitrator and the two arbitrators so chosen selecting the third arbitrator. The decision of a majority of the arbitrators so chosen shall be conclusive, and the arbitrators shall exclude from their decision as to fair value anything for

good-will or going concern value. The Company shall have the right, at any time within thirty days of being advised in writing of the decision of the arbitrators as aforesaid, to purchase the said premises and property at the valuation fixed as aforesaid by the arbitrators.

Upon sale by the Operator of the premises or property aforesaid to the Company or another, in accordance with this section 11, this agreement shall terminate, except in regard to the obligations of the Operator to take action or abstain from taking action after the termination hereof. The Operator shall not sell, lease, transfer, or permit to be used the said premises or property for a business similar to the business of stands or stores then being operated under the name of "HOWARD JOHNSON'S" during a period of two years after the right of the Company to buy under this section 11 shall have expired.

12. If a petition in bankruptcy shall be filed by or against the Operator or if the Operator shall make an assignment for the benefit of creditors or shall default in the performance of any agreement made hereunder, and such default shall not be remedied to the Company's satisfaction upon demand, then, the Company may terminate this Agreement upon notice in writing to the Operator mailed to the above-described premises and upon the mailing of such notice by the Company, this Agreement and all rights of the Operator hereunder shall terminate ipso facto, but such termination shall not affect the obligations of the Operator hereunder to take action or abstain from taking action after the termination hereof. Waiver by the Company of any particular default by the Operator shall not affect or impair the Company's rights in respect of any subsequent default of the same or a different kind; nor shall any delay or omission of the Company to exercise any right arising from any default affect or impair the Company's rights as to such default or any future default. In the event of a termination of this agreement under this section or section 13, the Company shall have the same right to purchase from the Operator and under the same procedure, the premises herein described and all property used thereon as is set forth in section 11 hereof in connection with a notice of discontinuance by the Operator; provided, however, that the Operator shall not sell, lease, transfer, or

permit to be used the said premises or property for a business similar to the business of stands or stores then being operated under the name of "HOWARD JOHNSON'S" during a period of two years after the right of the Company to purchase the same from the Operator (as above-described in section 11) shall have expired.

13. Unless terminated as hereinabove provided, this agreement shall remain in effect for twenty years from the date hereof; and shall thereafter be automatically extended for further periods of twenty years, unless at least thirty days before the expiration of any twenty-year term, notice of intention to finally terminate is given in writing by one party to the other. All notices to the Company, provided for herein, shall be delivered by registered or certified mail.

14. Upon the termination of this agreement for any cause, the Operator will immediately discontinue at the above-described premises the use of all trade names, trademarks, signs, structures, and forms of advertising indicative of "HOWARD JOHNSON'S", or the business or products thereof, and will make or cause to be made such changes in signs, buildings, and structures, including the removal of the tower, cupola and roof and the painting in a different color of other portions of the building, as the Company may direct, effectively to distinguish the same from its former appearance and from other "HOWARD JOHNSON'S" places of business, and if the Operator shall upon request fail or omit to make or cause to be made such changes, then the Company shall have the right to enter upon the premises, without being deemed guilty of trespass or any other tort, and to make or cause to be made such changes at the expense of the Operator, which expense the Operator agrees to pay on demand; and the Operator will not during a period of two years following the date of such termination, directly or indirectly engage in any similar business, without the Company's written permission, within ten miles of any "HOWARD JOHNSON'S" stand or store, or seek to employ any persons who are at the time employed by the Company or by any Operator who is at the time operating a business under the name "HOWARD JOHNSON'S", or directly or indirectly induce any such person to leave his or her employment as aforesaid.

15. The privileges herein granted to the Operator contemplate the operation of a restaurant and/or dairy bar and the rights herein granted shall not be applied or extended, directly or indirectly, to any other business or enterprise without the express consent in writing of the Company. No hotel, inn, tavern, motel or other building shall be erected or operated by the Operator on or adjacent to the described premises without the Company's consent in writing. This Operator's Agreement contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No failure of the Company to exercise any power given it hereunder, or to insist upon strict compliance by the Operator of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of the Company's right to demand exact compliance with the terms hereof. The Company and the Operator are not and shall not be considered as joint adventurers, partners or agent of the other and neither shall have power to bind nor obligate the other except as set forth in this agreement.

16. Should any part of this agreement, for any reason, be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this agreement had been executed with the invalid portion thereof eliminated and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this agreement without including therein any such part, parts, or portion which may, for any reason be hereafter declared invalid.

17. This agreement shall inure to the benefit of the successors and assigns of the Company. The interest of the Operator in this agreement is personal and shall not be assigned, transferred, shared or divided in any manner by the Operator, and if said Operator is a corporation, it is understood and agreed that the shares of Capital Stock of said corporation shall not be sold, pledged, hypothecated, assigned or transferred so as to change the controlling interest therein, without the written consent of the Company.

IN WITNESS WHEREOF the parties have hereunto and to another instrument of like tenor set their hands and seals the day and year first above written.

HOWARD D. JOHNSON COMPANY

By_____
President

/s/ BEN BIBB (SEAL)
Ben Bibb

/s/ P. L. GRISSOM (SEAL)
P. L. Grissom

BELLEVILLE RESTAURANT CO.

By /s/ BEN BIBB (SEAL)
President

HOWARD JOHNSON MOTOR LODGES, INC.
LICENSE AGREEMENT

THIS AGREEMENT Made the 7th day of December, 1959, by and between: HOWARD JOHNSON'S MOTOR LODGES, INC., a Delaware corporation, with a place of business in Quincy, Norfolk County, Massachusetts (herein designated as the "COMPANY") and CHARLES T. GRISSOM, Detroit, Michigan and P.L. GRISSOM & SON, INC. a Michigan corporation jointly, (herein designated as the "LICENSEE") owner, lessee or tenant of the premises described as follows:

Land in the Township of Van Buren, Wayne County, Michigan, described as:

The following described property, except the easterly 682 feet thereof: That part of the northeast ¼ of section 21, town 3 south, range 8 east, Van Buren Township, Wayne County, Michigan, described as follows: Beginning at the north ¼ post of section 21, town 3 south, range 8 east and proceeding thence along the north line of said section, north 89 degrees 15 minutes east 1364.06 feet; thence along the west line of Belle Harbor Estates property, due south 550 feet; thence south 89 degrees 15 minutes west to a point on the north and south ¼ line of said section which point is 550 feet south of the point of beginning; thence due north along the north and south ¼ line of said section coincident with the center line of Quirk Road, due north 550 feet more or less, to the point of beginning except the north 83 feet thereof comprising the Detroit Industrial Expressway and Service Drive and also subject to an easement for highway purposes over that part of subject property lying within Quirk Road.

WITNESSETH:

WHEREAS the Company is the sole owner of the trade name "HOWARD JOHNSON'S MOTOR LODGE" and has acquired the right to use the name "HOWARD JOHNSON'S" in connection with the operation of Motor Lodges, and has formulated and developed a plan, design, method and system for the operation of Motor Lodges, known as the "HOWARD JOHNSON'S MOTOR

LODGE" plan, outlined in the Appendices hereto attached, and has designed certain forms of structures and color combinations in connection therewith; and

WHEREAS the Licensee wishes, upon the terms and conditions hereinbelow set forth, to enter into the business of operating a Motor Lodge under the name of "HOWARD JOHNSON'S MOTOR LODGE," in accordance with standards of construction, operation and services approved by the Company; and the Company is willing to permit the Licensee to use the name "HOWARD JOHNSON'S MOTOR LODGE" for and in said business, at and on the above mentioned premises (without responsibility or liability upon the Company for the operation of said motor lodge), upon the terms and conditions hereinbelow set forth:

NOW, THEREFORE, the parties hereto, in consideration of the mutual agreements herein contained and promises herein expressed, and for other good consideration acknowledged by each of them to be satisfactory and adequate, do hereby agree as follows:

1. The Licensee agrees to within ninety (90) days from the date hereof begin the erection of and to fully complete within a reasonable time thereafter upon the land above described, the building and land improvements in conformity with the plans and specifications agreed upon in writing between the parties hereto which plans and specifications are herein incorporated by reference as fully as though attached hereto. However, there shall be no liability on the part of the Company in any event because of the fact that it has agreed to the plans and specifications, it being understood that said plans and specifications were prepared by the Licensee or his agent. The contract for construction of said building and improvements will be submitted to the Company prior to execution by Licensee and will not be let without the written approval of the Company. Licensee further agrees to commence operation of a "HOWARD JOHNSON MOTOR LODGE" no later than thirty (30) days following completion of the above mentioned building and improvements but no sooner than the same shall have been fully completed (unless Company consents thereto in writing). Licensee shall give the Company thirty (30) days written notice prior to commencing operations. In the event of a

violation of any of the provisions of this paragraph not due to war, governmental restrictions, strikes, lockouts, or acts of God, and after giving Licensee thirty (30) days written notice within which to cure said violation, or in the event Licensee commences construction according to plans and specifications not fully agreed to by the Company, Company may elect in either event to forthwith cancel and terminate this agreement, in which event Company may retain license fee in the amount of Five Thousand Dollars ($5,000.00) this day paid, as liquidated and agreed damages. It is further understood and agreed by and between the parties hereto that in the event the Company so elects to cancel and terminate this agreement, the Licensee shall not purchase, construct nor permit construction of a motor lodge, motel or hotel upon the lands above described by any of his agents or any corporation in which he is a stockholder, without written consent of the Company; nor will the Licensee participate in any profits, dividends, or earnings derived from construction or operation of any such motor lodge, motel, or hotel. This restriction shall remain in full force and effect for a period of five (5) years from the date hereof; or in the event a Howard Johnson restaurant is being operated in the immediate vicinity of the above described lands, said restriction shall remain in full force and effect for so long as said restaurant is in operation.

2. So long and only so long as this Agreement shall remain in force and effect, the Company shall determine and approve standards of construction, operation and service at and on the above described premises, and standards of quality and utility for all furnishings, supplies and equipment used in connection with such business, and the Licensee agrees at all times to conform to said standards. The Licensee shall continuously operate the said business at the above described premises and the Company's supervisory personnel shall have the right to enter upon the premises at any reasonable time for the purpose of examining the same, conferring with the Licensee's employees, inspecting and checking operations, furnishings, supplies, equipment, and determining whether the business is being conducted in accordance with the aforesaid standards and with this Agreement. All such standards shall be substantially the same as outlined in the Appendices attached hereto.

3. So long as this Agreement shall remain in force and effect, the Licensee will diligently promote and make every reasonable effort steadily to increase said business by printed advertisements, highways signs, and in other suitable manner for a reasonable distance from the above referred to location.

4. So long and only so long as this Agreement shall remain in force and in effect, the Licensee may do business on said premises and advertise the above described place of business under the trade name of "HOWARD JOHNSON'S MOTOR LODGE." No designs, advertising, signs, and forms of publicity shall be used upon or in behalf of the above described place of business unless the same shall have been first submitted to and approved in writing by the Company as meeting its standards.

No item of merchandise, equipment, stationery, supplies, furnishings or utensils bearing the trade name "Howard Johnson's" shall be used in, upon, or in behalf of the above described place of business unless the same shall have been first submitted to and approved in writing by the Company as meeting its standards of quality and utility.

5. The License herein granted to use the name "HOWARD JOHNSON'S MOTOR LODGE" is non-exclusive, and the privileges herein granted are applicable only to the above mentioned premises and not elsewhere.

The trade name "HOWARD JOHNSON'S" shall not be used by the Licensee except in conjunction with the words "Motor Lodge".

It is agreed by the Licensee that rights in and to the name "HOWARD JOHNSON'S MOTOR LODGE" and any part thereof or addition thereto and the use thereof shall be and remain the property of the Company, and the Licensee shall assign, transfer and convey to the Company by such instrument in writing as may be requested, all additional rights which may be acquired, if any, by reason of the use of said name by the Licensee.

Any application for registration by the Licensee to use the name "Howard Johnson's Motor Lodge" which may be required by the statutes or laws of any governing body, shall specify that

the Licensee's use of said name is limited to the above described premises and upon termination of this agreement, the Licensee's use of said name shall likewise terminate; by virtue of said registration, no property right in or privilege to use said name is created which will extend beyond termination of this agreement.

Licensee further agrees not to interfere with in any manner nor attempt to prohibit the use or registration of the name "Howard Johnson's Motor Lodge" by any other Licensee of the Company.

6. If any additional building is to be constructed or if substantial alterations are to be made upon the above described premises, plans and specifications therefor shall be submitted to the Company for approval, and the Licensee shall not undertake any such construction or alteration upon the said premises without such approval. The Licensee shall install and use in and upon the premises only such designs, equipment supplies and furnishings as shall conform to standards of quality and utility approved by the Company and shall conduct business upon the above described premises in accordance with the aforesaid standards and in accordance with its supervisory rules, regulations and instructions.

7. The Licensee will repair and paint the exterior and interior of the buildings upon the premises at reasonable times or upon the request of the Company, which request shall not be unreasonably made, and at all times will maintain the interior and exterior of the buildings and the surrounding premises in a clean, orderly and sanitary condition satisfactory to the Company; will prominently display in and upon the land and buildings only such advertising signs, of such nature, form, color, number, location and size, and containing such material as the Company shall approve in writing, and will not display in or upon the said premises any sign or advertising media of any kind to which the Company has reasonable objection. The Company, or its authorized agents, may at any time after five (5) days notice to Licensee, enter upon the said premises and remove any such objectionable signs or advertising media, and may keep or destroy such signs or other media without paying therefor or without being deemed guilty of trespass or any other tort.

8. So long as this Agreement shall remain in force and effect, the Licensee will not, directly or indirectly, except with the consent of the Company (which shall not be unreasonably withheld), engage in business the same as or similar to the business covered by this Agreement at any place other than the premises above described in the State in which said premises are located or at any place in a State contiguous to said State; the Licensee shall not employ or seek to employ any person who is at the time employed by the Company or by any person who is at the time operating a business under the name "HOWARD JOHNSON'S" or "HOWARD JOHNSON'S MOTOR LODGE", and will not, directly, or indirectly, induce any such person to leave his or her employment as aforesaid.

9. It is specifically understood and agreed that the Licensee shall not upon the described premises without the written consent of the Company, directly or indirectly, during the term of this Agreement or any extension thereof, operate or engage or participate in the operation of a restaurant or the preparation or sale of food, and that the Licensee will not, during the term or any extension thereof, without the written consent of the Company, let, use or permit to be used, any part of the above mentioned premises, or any other premises, owned or controlled by him in the vicinity of the above mentioned premises, to be used or occupied as or for a restaurant or for the sale of food; this prohibition, however, shall not apply to the operation of a "HOWARD JOHNSON'S" restaurant under a duly executed franchise agreement with the HOWARD D. JOHNSON COMPANY, of Quincy Massachusetts, or its nominee.

10. Licensee agrees during the term of this Agreement to procure, carry and pay for windstorm, fire and extended coverage insurance, insuring the construction, improvements, and completed buildings upon the demised premises for the full value thereof. The proceeds of any such insurance shall be used to repair or restore the buildings as best as possible to their original condition and evaluation.

Licensee agrees to protect, indemnify and save harmless the Company from and against any and all loss, damage, liability or attorneys' fees and costs incurred by the Company because of:

(1) Any act or neglect of the Licensee or any of its agents, servants, employees, or guests in, on or about the above described premises,

(2) Any other reason so long as such loss, damage, liability or attorneys' fees resulted from the License herein granted, and was not the fault of the Company.

Licensee further agrees to place with an approved insurance company, and keep in effect during the life of this Agreement, insurance for the benefit of the Company and/or Howard D. Johnson (as well as for the benefit of the Licensee), covering public liability of all kinds, in amounts no less than $100,000 in case of damage or injury to one person, nor less than $300,000 in case of damage or injury to more than one person, and property damage insurance of $15,000, and workmen's compensation; will during the term hereof lodge with the Company, certificates of such insurance, and will promptly pay all premiums on said policies as and when the same become due.

11. So long as this agreement shall remain in force and effect, the Licensee will not sell, transfer, assign, lease or sublet, nor offer to sell, transfer, assign, lease or sublet any interest in the said premises or any part thereof, or in the business thereon conducted, or in the equipment, or furnishings located thereon, without the consent of the Company in writing nor without in each instance first offering the same to the Company, exclusively, at a stated price and on stated terms, which offer the Company may accept at any time within sixty (60) days. In the event that the Company does not accept said offer within said sixty (60) days the Licensee may sell, transfer, assign, lease or sublet said interest to another party, subject to the provisions of Article Thirteen of this agreement, for the same price stated and the same identical terms stated in the Licensee's offer to the Company, within thirty (30) days from the expiration of said sixty day period or from receipt of the Company's declination of the offer, whichever is the sooner. In no event shall the Licensee offer the said premises or any interest therein, or in the business conducted thereon, or in the equipment or furnishings thereon, for sale or transfer at public auction, nor at any time shall an offer be made to the public to sell, transfer, assign, lease or sublet, through the medium of adver-

tisement, either in the newspapers or otherwise, without having first obtained in writing the permission of the Company to such advertisement or publication.

12. If the Licensee wishes, prior to the termination of this Agreement, to discontinue operation of a Howard Johnson's motor lodge as herein contemplated on the premises above mentioned, for any reason other than the lease, sale, or transfer thereof to another, the Licensee must give to the Company sixty (60) days written notice thereof, accompanied by an offer to sell to the Company the Licensee's entire interest in said premises and all property used thereon. If, upon such offer, the parties are unable to agree as to a purchase price and terms, the fair value of said premises and property shall be determined by three (3) arbitrators, each party selecting the third arbitrator. The decision of a majority of the arbitrators so chosen shall be conclusive, and the arbitrators shall exclude from their decision as to fair value anything for goodwill or going concern value. The Company shall have the right, at any time within thirty (30) days of being advised in writing of the decision of the arbitrators as aforesaid, to purchase the said premises and property at the valuation fixed as aforesaid by the arbitrators. In the event that the Company does not make a timely exercise of said right to purchase, the Licensee may sell his entire interest in the property for the same price and on the identical terms that were the terms stated in the Company's option within thirty (30) days from the expiration of the Company's option period, subject to the provisions of Article Thirteen of this Agreement.

13. (a) If the Licensee is or shall become the fee owner of the above described premises, the Licensee, for himself, his heirs, administrators, successors and assigns, covenants and agrees that notwithstanding the provisions of Paragraphs 11 and 12, providing for a first refusal to the Company, it is understood and agreed that during the term of this License the premises shall not be sold, assigned, alienated or transferred to anyone other than the Company except upon the express condition that the buyer, assignee or transferee shall, in writing, accept the title thereto subject to all the conditions and covenants hereof for and during the unexpired term hereof, as fully and with the same effect as though said buyer, assignee or transferee were an original party and signatory

hereto. This provision, however, shall be subject to the right of the Company to cancel this License agreement as set forth in sub-paragraph (c) of this Article 13.

(b) If the Licensee occupies the described premises under a lease, sub-lease, or other written contract of tenancy from the owner thereof, the Licensee shall prior to the execution thereof submit such lease, sub-lease or other contract to the Company, and such instrument shall contain the express covenant that throughout the term of said lease the described premises shall at the option of the Company, be used solely and exclusively as and for a Howard Johnson's motor lodge under all of the terms and conditions of this License Agreement and that no assignment, transfer, change, modification or other amendment of such instrument shall be entered into between the Owner and the Licensee without the express consent in writing of the Company. This provision, however, shall be subject to the right of the Company to cancel this License Agreement, as set forth in sub-paragraph (c) of this article 13.

If the Licensee occupies said premises under a lease, sub-lease, or contract of tenancy, with the owner as aforesaid, it is agreed that the Licensee, will cause the "Owner's Consent" attached hereto, to be executed and acknowledged by the owner of said premises within fifteen (15) days after the date hereof, and if such "Owner's Consent" shall not be obtained the Company shall have the option to terminate this License.

(c) It is the intent of the parties hereto that regardless of who occupies the described premises, either as owner, Lessee or otherwise, the described premises shall be operated as a Howard Johnson's Motor Lodge for a period concurrent with the term of this Agreement, but nothing herein contained shall obligate the Company to recognize any successors to the Licensee unless such prospective successor is acceptable in every respect to the Company; and the Company shall have the option and right to cancel this agreement within sixty (60) days after receipt of notice of the closing of a sale, sub-lease or other change of interest in the demised premises, which notice must be given in writing within

sixty days prior to such closing, and shall contain the names and addresses of every person acquiring any interest in the demised premises.

Provided however, nothing contained in this article, or elsewhere in this agreement shall effect the Company's rights to terminate and cancel this agreement as provided in articles 15 and 23 thereof; in the event of termination or cancellation, as provided in articles 15 and 23, no owner of the fee to the herein described premises, nor lessee of such premises, nor other person having any interest therein, shall operate thereon a motor lodge, motel or hotel without written consent of the Company. This restriction shall remain in full force and effect for a period of five (5) years after such termination or cancellation, or in the event a Howard Johnson Restaurant is being operated in the immediate vicinity of the herein described premises this restriction shall remain in full force and effect for so long as said restaurant is in operation.

14. Upon sale or transfer by the Licensee of the premises or property aforesaid to the Company or another, the rights and obligations hereunder of said Licensee shall terminate, except in regard to the obligations of the Licensee to take action or abstain from taking action after the termination hereof in accordance with this Agreement.

15. If the Licensee shall be adjudicated a bankrupt, or shall make an assignment for the benefit of creditors, or if a Receiver shall be appointed to take charge of Licensee's affairs, or if Licensee shall default in the performance of any covenant or Agreement made hereunder, as to standards of operation, payment of amounts due hereunder or otherwise and such defaults shall not be remedied to the Company's satisfaction within fifteen (15) days after notice of such default then the Company may thereupon terminate this Agreement and all rights hereunder of the Licensee, but such termination shall not affect the obligations hereunder of the Licensee, to take action or abstain from taking action after the termination hereof in accordance with this Agreement.

16. Waiver by the Company of any particular default by the Licensee shall not affect or impair the Company's rights in respect

to any subsequent default of the same or a different kind; nor shall any delay or omission of the Company to exercise any right arising from any default affect or impair the Company's rights as to the same or any future default.

17. Upon the termination of this Agreement for any cause, the Licensee will immediately discontinue all use of trade names, trademarks, signs and forms of advertising and other indicia of operation as a "HOWARD JOHNSON'S MOTOR LODGE", and will discontinue use of blue-green and orange colors, and remove the cupola and all orange tile roofs from the buildings or other structures on the described premises, as the Company may direct, effectively to distinguish the same from its former appearance as a designation of a "HOWARD JOHNSON'S MOTOR LODGE", and if the Licensee shall fail or omit to make or cause to be made such changes within fifteen (15) days after written notice, then the Company shall have the right to enter upon the premises, without being deemed guilty of trespass or any other tort, and to make or cause to be made such changes at the expense of the Licensee, which expense the Licensee agrees to pay on demand.

18. Unless terminated as hereinabove provided, this Agreement shall remain in effect for twenty (20) years after the date the first minimum royalty fee payment is due as provided in Paragraph 19 hereof; and shall thereafter be automatically extended from year to year, unless at least ninety (90) days before the expiration of the term or any extension thereof, notice of intention to finally terminate is given in writing by one party to the other.

19. In consideration of the issuance of this license, the Licensee agrees to pay to the Company the following:

(a) A LICENSE FEE of Five Thousand Dollars ($5,000.00)

(b) A MINIMUM MONTHLY ROYALTY FEE of Six Hundred and Twelve ($612.00) Dollars being the fee payable for not more than 72 rooms.

(c) An ADDITIONAL ROYALTY FEE of that amount by which five per cent (5%) of the Licensee's gross receipts derived from the renting of guest rooms in said Motor Lodge

or derived from any other business operated upon the described premises exceeds the minimum royalty fee provided for in sub-paragraph (b) above.

Said License Fee and Royalties shall be payable as follows:

(aa) A LICENSE FEE of Five Thousand Dollars ($5,000.00)

(bb) The MINIMUM ROYALTY FEE shall be payable monthly, in advance, beginning on the tenth (10th) day of the calendar month following completion of the building, and continuing thereafter on the tenth (10th) day of each and every month during the term or any extension hereof.

(cc) The ADDITIONAL ROYALTY FEE, if any, shall be payable within ten (10) days after the end of each and every month during the term or any extension hereof, with an annual adjustment in the event the total additional royalty fee paid for such year exceeds five per cent (5%) of the Licensee's annual gross receipts.

20. The Licensee agrees to submit to the Company monthly statements showing the number of rooms rented and the gross receipts at the end of the first month after completion of the building and each succeeding month thereafter during the term hereof. All such statements shall be signed by the Licensee, certifying as to the amount of the gross receipts for the month accounted for.

The Licensee shall, with respect to business done by it at said Motor Lodge, keep on the premises true and accurate records, accounts, books and data, which shall accurately reflect all particulars relating to the number of rooms rented and the gross receipts of said business operated upon the described property. The Company, its agents or representatives may examine and audit said records, accounts and books at all reasonable times.

The term "Gross Receipts" shall include gross amounts received by the Licensee as payment for the use or occupancy of all guest rooms in said Motor Lodge, and gross amounts derived from any other business operated upon the described premises, excluding sales or other tax receipts which may be required by law to be collected from guests and excluding receipts from telephones, telegraph, magazines, and cigarette and soft drink vending machines.

21. The Licensee shall not allow the described premises or any part thereof to be used for any immoral or illegal purpose, and shall not allow, suffer or permit the same to be used for any purpose, business, activity, use, function or object to which the Company has reasonable objection.

22. This instrument contains the entire Agreement of the parties, and no representation, inducements, promises or agreements, oral or otherwise, not embodied herein, shall be of any force or effect. No failure of the Company to exercise any power given it hereunder, or to insist upon strict compliance by the Licensee of any obligation hereunder, and no custom or practice at variance with the terms hereof shall constitute a waiver of the Company's right to demand exact compliance with the terms hereof.

The Company and the Licensee are not and shall not be considered as joint venturers, partners or agents of each other, and neither shall have power to bind or obligate the other except as set forth in this Agreement.

23. In the event Licensee or any successor of the Licensee herein is a corporation, it agrees as follows:

(a) It will furnish the Company at the time of execution of this License Agreement a Stockholders Agreement executed by all of the stockholders of the Licensee corporation stating that no such stockholder will sell, assign or transfer any of his stock to any person or company other than his immediate family or persons who are stockholders of the Licensee corporation at the time of execution of this License Agreement, without written consent of the Company.

(b) It will furnish the Company at the time of execution of this Agreement a Resolution of the Board of Directors which has been ratified by the stockholders of the Licensee corporation stating that no unissued stock in said Licensee corporation will be issued to any person or company other than the stockholders of said Licensee corporation at the time of execution of this Agreement, without the written consent of the Company.

(c) In the event of a violation of the provisions of sub-paragraphs (a) and/or (b) above, the Company shall have the option and right, after giving Licensee thirty (30) days written notice in which to cure said violation, to forthwith cancel and terminate this License Agreement, and thereupon the rights and obligations hereunder shall cease, but such termination shall not affect the obligations hereunder of the Licensee to take action or abstain from taking action after the termination hereof as provided elsewhere in this agreement.

24. This agreement shall be governed by and construed in accordance with the laws of, or applicable to, the State of Massachusetts.

25. All terms and words used in this agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this agreement or any paragraph or clause herein may require, the same as if such words had been fully and properly written in the number and gender.

26. The agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument.

27. Should any part of this Agreement, for any reason, be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any such part, parts or portion which may, for any reason, be hereafter declared invalid.

28. All notices to the Company shall be sent by registered or certified mail addressed to the Company at its office at 89 Beale Street, Wollaston 70, Massachusetts, or at such other address as the Company shall designate in writing.

All notices to the Licensee shall be sent by registered or certified mail addressed to the Licensee at 6049 West Fort Street, Detroit, Michigan or at such other address as the Licensee shall designate in writing.

29. All rights under this Agreement shall inure to the benefit of the successors and assigns of the Company. Any individual Licensee herein agrees that his interest in this Agreement is non-transferable and shall not be sold, pledged, hypothecated, assigned or transferred without the express consent in writing of the Company. Any corporate Licensee agrees that its interest herein is non-transferable and shall not be sold, pledged, hypothecated, assigned or transferred, nor shall the controlling interest in said corporation be changed, without the express consent in writing of the Company.

IN WITNESS WHEREOF the parties have hereunto and to another instrument of like tenor set their hands and seals the day and year first above written.

WITNESSES:

/s/ JOSEPH V. CRONIN

/s/ MARGERY J. LOGAN
As to "Company"

HOWARD JOHNSON'S
MOTOR LODGES, INC.

By: /s/ HOWARD B. JOHNSON
President

ATTEST:

/s/ EUGENE J. DURGISS
Secretary
"COMPANY"

WITNESSES:

_____

_____
As to "Licensee"

/s/ CHARLES T. GRISSOM
Charles T. Grissom

P. L. GRISSOM & SON, INC.

By: /s/ P. L. GRISSOM

July 9, 1972

NOTICE TO EMPLOYEES

Notice is hereby given that as of midnight, July 23, 1972, your employment with Belleville Restaurant Company, a Michigan corporation, shall be terminated unless the last day you are scheduled to work is prior to midnight, July 23, 1972, which date will be the termination date of your employment.

All vacation accrued up to midnight, July 23, 1972 as well as pay earned as of said date will be paid on July 24, 1972.

* * *

July 9, 1972

NOTICE TO EMPLOYEES:

Notice is hereby given that as of midnight, July 23, 1972, your employment with Howard Johnson Motor Lodge, Inc., a Michigan corporation, shall be terminated unless the last day you are scheduled to work is prior to midnight, July 23, 1972, which date will be the termination date of your employment.

All vacation accrued up to midnight, July 23, 1972 as well as pay earned as of said date will be paid on July 24, 1972.

* * *

June 28, 1972

Fred Colombo, Esquire
1500 North Woodward
Suite 209
Birmingham, Michigan 48011

Re: Howard Johnson Restaurant
45915 Willow Run
Expressway
Belleville, Michigan

and

Howard Johnson Motor Lodge
45915 Willow Run
Expressway
Belleville, Michigan

Dear Mr. Colombo:

This will confirm our telephone conversation on Monday, June 27, 1972. It was understood and agreed that the Purchaser, HOWARD JOHNSON COMPANY, would not recognize and assume any labor agreements between the Sellers, CHARLES T. GRISSOM and P.L. GRISSOM & SON, INC. and BELLEVILLE RESTAURANT COMPANY, and any labor organizations. It is further understood and agreed that the Purchaser does not assume any obligations or liabilities of the Sellers resulting from any labor agreements or unfair labor practices.

Please acknowledge the agreements and understandings set forth above by signing in the space provided below. I have enclosed an original and five copies. Please execute and return the original and two copies.

Very truly yours,

HOWARD JOHNSON COMPANY

/s/ V. E. BURKS
V.E. Burks, Vice President
Industrial Relations

For and on behalf of the Sellers:
CHARLES T. GRISSOM AND P.L. GRISSOM & SON, INC. and
BELLEVILLE RESTAURANT COMPANY

By: /s/ CHARLES T. GRISSOM
/s/ P. L. GRISSOM
Date: July 11, 1972

DATED: July 11, 1972

AGREEMENT

Effective Date August 1, 1968. Renewal Date August 1, 1971

AGREEMENT made this 1st day of August, 1968, by and between HOWARD JOHNSON MOTOR LODGE, INC. BELLEVILLE, hereinafter referred to as the "Employer" and the hotel, Motel & Restaurant Employes Union Local 705, hereinafter referred to as the "Union".

WITNESSETH

In consideration of the premises and the mutual covenants and premises of the parties hereto, IT IS HEREBY AGREED as follows:

ARTICLE I

RECOGNITION–UNION MEMBERSHIP–EMPLOYE HIRING–CHECK-OFF

Section 1. – Recognition. The Employer hereby agrees to recognize the respective Union as the sole and exclusive bargaining representative for the purpose of collective bargaining with respect to rates of pay, hours of work and other conditions of employment for employes coming within the jurisdiction of the Union covered by Schedule "A" attached hereto, and made a part of this Agreement. If the bargaining agent for Hotel, Motel, Restaurant, Office and Checkroom Employees Union, Local 880, can prove at any time during the term of this Agreement that it represents a majority of the employes listed in Schedule "D" (Detroit Hotel Association Contract), Local 880 will be recognized as the bargaining agent for such employes and thereupon such employes will be automatically covered by this Agreement. Supervisory and confidential employes are defined in the Labor Management Relations Act of 1947, as amended, are excluded from this Agreement.

Section 2. – Union Membership. The Employer agrees that it is a condition of employment that all employes of the Employer covered by this Agreement who are members of the Union in good standing on the date of the execution hereof shall remain members in good standing and that all employes of the Employer covered by this Agreement who are not members of the Union on the date

of the execution hereof shall, on the 31st day following the effective date of the Agreement, become and remain members in good standing of the Union.

It is also agreed that it shall be a condition of employment that all new employes covered by this Agreement shall become and remain members in good standing of their Union on the 31st day following the date of their employment.

The Employer agrees, when requested by the Union, to discharge any employe who fails to render his membership dues, including an initiation or reinstatement fee and monthly dues, in accordance with the foregoing Section.

Section 3. – Employe Hiring. In order to facilitate the employment of necessary help, to assure qualified employes of an efficient system of locating employment and insure the Employer a regular source of available employes, the Union agrees to operate a job referral system in a non-discriminatory manner for employes within their jurisdiction. All persons who are referred to the Employer by their respective Union shall be identified by job referral slips and delivered to the Employer by the individual being referred except as hereinafter provided.

It is understood and agreed by the Union that the operation of said job referral system shall be on a non-discriminatory basis and in accordance with the following terms, conditions and standards:

(a) It is agreed that the Employer shall have the right to reject any job applicant referred by the Union. In the event any applicant is rejected, the Employer shall request that additional applicants be furnished by the Union from their job referral system.

(b) In the event a job referral system fails to supply qualified workers to the Employer within forty-eight (48) hours after a request is made, the Employer may engage new employes from any other source except from fee charging employment agencies. The Employer shall notify the Union of the name, address, social security number and date of employment of such new employes within five (5) days after date of hiring.

(c) The Employer agrees to hire all extra employes in the manner above provided using the job referral system operated by the Union.

(d) The Union shall establish and maintain appropriate registrations for qualified applicants available for employment in the established job classifications, and the conduct of this activity by the Union shall be in accordance with the application of the above terms, conditions and provisions.

(e) The Union agrees to permit newly hired non-Union employes to become members of the Union upon making application for membership and the payment of the customary initiation fees and regular dues.

(f) Employes will be hired without discrimination as to race, creed, color, national origin or sex (excluding occupations where service requirements require the use of one (1) sex). The application of non-discriminatory policy shall apply to, an addition to hiring, upgrading, demotion or transfer, recruitment, rates of pay and selection for training.

(g) The provision relating to the above mentioned job hiring and referral systems shall be posted in places where notices are customarily posted for the information of employes.

Section 4. – Check-Off. The Employer agrees to deduct membership dues, including initiation and reinstatement fees and monthly dues, in such sums as may be established from time-to-time by the Union in accordance with their constitution and by-laws, from the pay of each employe, provided no such sums shall be deducted by the Employer from any employe's wages unless and until the employe has voluntarily signed an authorization card authorizing the deduction of the same, such authorization and assignment not to be irrevocable for a period longer than one (1) year or the termination of this Agreement, whichever first occurs, at which time it may be revoked by written notice given by the employe to the E..ployer and the Union at any time during a period of ten (10) days prior to the expiration of each period of one

(1) year or the expiration of this Agreement, whichever first occurs.

If no such notice is given, the authorization shall be automatically renewed for successive periods of one (1) year thereafter with the same privilege of revocation at the end of each such period. All sums to be deducted from the wages of any employe, pursuant to the authorization card, shall be deducted from the first paycheck each month of the employes. The Employer shall, on or before the seventh (7th) day of each month, forward a check to the Union office to cover the total amount of dues checked off, together with a statement (on forms to be supplied by the Union) setting forth the names, addresses, job classification, and social security numbers of the employes.

ARTICLE II
UNION RIGHTS

Section 1. Authorized representatives of the Union shall be permitted to visit the premises of the Employer at all reasonable hours for the purpose of transacting Union business. Representatives of the Union shall not interfere with the operations of the Employer while transacting such Union business.

Section 2. Regular shop or department stewards shall be allowed reasonable time off from work, without loss of pay, in handling and adjusting grievances on the premises of the Employer which arise in their own departments.

Section 3. Union officers and stewards shall be allowed to attend Union meetings, without pay, called upon proper notice to the Employer. The payroll and hiring records of an Employer shall be made available upon demand to representatives of the Union in connection with the enforcement and carrying out of the terms and provisions of this Agreement when the purpose of the demand is stated in writing.

Section 4. Duly elected delegates to Union conventions or assemblies shall be excused from work, without pay, for the purpose of attending such convention or assembly without any loss of right or privileges upon proper notification to the Employer. Time off for local conventions shall not exceed seven (7) calendar days

and time off for international conventions shall not exceed fifteen (15) calendar days.

ARTICLE III

WORK WEEK – HOURS OF WORK – DESIGNATION OF 6th AND 7th DAYS – REPORTING FOR WORK – DEFINITIONS OF STEADY EMPLOYES AND EXTRA EMPLOYES

Section 1. Supervisory or excluded employes as defined in the Labor Management Relations Act of 1947, as amended, shall not perform the work of employes in the respective bargaining units except during relief periods, absenteeism, sickness, rush periods and in cases of emergency.

Section 2. Eight (8) hours of work shall constitute a work day and five (5) days of work in the established payroll week of an Employer shall constitute a work week.

Section 3. Time and one-half shall be paid for all hours worked in excess of eight (8) hours in any one (1) day and for all hours worked in excess of forty-eight (48) hours in an Employer's work week. There shall be no pyramiding of overtime, and overtime hours paid on a daily basis shall not be included in paying overtime on a weekly basis.

Section 4. It is agreed and understood that those employes who desire a permanent five (5) day work schedule will not be required to work a six (6) day forty-eight (48) hour schedule.

Section 5. An Employer shall designate one (1) day in its payroll week as the designated sixth (6th) day and one (1) day as the designated seventh (7th) day of each steady employe. An Employer shall have the right to designate any day in its payroll week as the designated sixth (6th) day and any day as the designated seventh (7th) day of each steady employe. An Employer shall not be required to designate two (2) consecutive days as the designated sixth (6th) day and as the designated seventh (7th) day of any steady employe. An Employer shall not change the work schedules of employes, except as permitted in Section 7 following, so circumvent the payment of overtime. When a change is made which has this effect, overtime shall be paid. This Section shall not apply to or cover extra employes.

Section 6. An employe who works seven (7) consecutive days shall be paid double his regular straight time hourly rate of pay provided he has worked his regular schedule of straight time hours before working the seventh (7th) consecutive day of work. If an employe is voluntarily absent from work during his regular schedule of straight time hours for personal reasons or any reason except on account of illness, approved leave of absence or vacation, or with the permission of the Employer, the employe must make up such lost time at his straight time hourly rate of pay before receiving premium pay for the seventh (7th) consecutive day of work.

Section 7. An Employer shall have the right, once every thirty (30) days upon giving seven (7) days' notice, to change the designation of the designated sixth (6th) day of an employe and designate any other day in its payroll week as the designated sixth (6th) day of an employe. An Employer shall have the right, once every sixty (60) days upon giving seven (7) days' notice, to change the designation of the designated seventh (7th) day of an employe and designate any other day in its payroll week as the designated seventh (7th) day of an employe.

Section 8. Steady employes may be requested but shall not be required to work their designated sixth (6th) or seventh (7th) days of work unless willing to work. This section shall not apply to or cover extra employes.

Section 9. Steady employes properly reporting for work on any day shall be paid in full for that day even though the Employer sends such employe home due to shortage of work. Extra employes properly reporting for work shall be paid even though the employer sends them home because of shortage of work. This provision shall not apply in any case of extreme, emergency, extreme emergency being defined as fire, tornado, flood, hurricane, riot, civil commotion or Acts of God. Employes shall, however, when reporting during any such emergency, be paid for all hours actually worked and in no case less than one-half of their regular rate of pay for said day.

Section 10. An Employer shall not make a daily practice of requiring employes to work overtime. In general, overtime will be

required only whenever necessary or in cases of emergency. Overtime shall be paid for only when authorized by the employe's supervisor.

Section 11. Whenever reasonably possible, an Employer shall endeavor to fix his work schedules so as to afford a choice of days off and hours worked to employes in the same job classifications on a seniority basis.

Section 12. When overtime is required within a specific job classification in a department it shall be rotated, whenever reasonably possible, among the employes in each specific job classification so that the overtime, so far as reasonably possible, may be shared among such employes.

Section 13. A regular employe is defined as any employe working four (4) days or more per week. An extra employe is defined as any employe working three (3) days or less per week.

ARTICLE IV
WAGE RATES AND SPECIFIC WORKING CONDITIONS

Section 1. Reference is made to Exhibit A attached hereto and made a part of this Agreement covering adjustments to be based upon increases to the cost-of-living index during 1967, as set-forth and provided in said Exhibit.

Section 2. The wage rates set-forth in Schedule "A" attached and made a part of this Agreement shall remain in effect in accordance with said schedule until the expiration of this Agreement as hereinafter set-forth. The non-listing of a job classification in Schedule "A" shall not preclude the Union from representing any employes properly coming within the jurisdiction of the respective Union.

Section 3. The wage rates set-forth in the attached Schedule "A" shall be regarded as minimum wage rates and this Agreement shall not interfere with the right of employes to receive higher wages for superior knowledge and ability.

Any individual employe now receiving a wage higher than the stipulated contract minimum rate for his job classification shall

have such contract differential maintained during the life of this Agreement as long as he occupies the same job classification.

Section 4. Wages of steady employes shall be paid weekly. Extra employes shall be paid immediately after their work has been performed.

Section 5. The listing of the job classifications in Schedule "A" shall not be designated the same as the employes, such job classifications, but when employes are hired by the Motel in any of said job classification, such employes shall be paid at the rate fixed for their specific job classifications.

Section 6. No provision of this Agreement shall be used to deprive any employe presently employed by an Employer of any benefits or privileges authorized by the Employer which such employe enjoys upon the date of the execution of this Agreement or to reduce the wage rate of any employe presently employed by the Employer on the execution of this Agreement if the wage rate paid to the employe is higher than the contract minimum wage rate for his job classification, provided, however, that if any new employes are employed by the Employer hereafter the Employer shall have the right to employ then in accordance with the job classification rates set-forth in the attached Schedule.

Section 7. No provision of this Agreement shall be used to deprive any employe of any benefit or privildge which is granted by the Employer during the term of this Agreement that exceeds the terms and provisions of this Agreement provided that such benefit or privilege is granted by the Employer to the employe in writing. If any benefit or privilege is granted by the Employer to an employe in writing during the term of this Agreement, a copy of the same shall be mailed to the Union. No benefit or privilege granted by the Employer during the term of this Agreement which exceeds the terms and provisions of this Agreement shall be effective unless granted by the Employer in writing.

ARTICLE V
VACATIONS

Section 1. Employes, upon completion of continuous employment as set-forth below with the Employer shall receive vacations with pay as follows:

(a) Employes who have completed one (1) year of continuous service but less than two (2) years of service with the Employer–

One (1) Week's Vacation

(b) Employes who have completed two (2) years of continuous service but less than twenty (20) years of service with the Employer–

Two (2) Weeks' Vacation

(c) Employes who have completed twenty (20) years of continuous service with the Employer–

Three (3) Weeks' Vacation

Vacation pay shall be computed on the basis of forty (40) hours at the employe's straight time hourly rate for each week of vacation to which the employe is entitled. Employes who are on the steady payroll, punch time clocks and receive their wages direct from the Motel shall be considered as steady employes for the purpose of vacation payments.

Section 2. Steady employes having continuous employment in accordance with the provisions of Section 1 above, but working less than five (5) days of eight (8) hours each per week shall be paid on a pro rata based upon the number of hours worked each week, with full cash payment thereof to be made in advance.

Section 3. If a steady employe is laid off or discharged by the Employer, except for reasons specified in Section 5 below, he shall receive his earned vacation pay computed on a pro rata basis of one-twelfth (1/12th) of his earned vacation for each month worked, or major fraction thereof, since the last anniversary vacation date of the employe.

Section 4. If an employe quits after having worked three (3) months or more of his current vacation year, he shall receive his earned vacation pay provided two (2) weeks' notice is given by the employe to the Employer of his intention to quit, the earned vacation to be computed on a pro rate basis of one-twelfth (1/12th) for each month worked or major fraction thereof since the last anniversary vacation date of the employe.

Section 5. If an employe quits without giving notice as provided in the preceding Section or is discharged for violation of posted reasonable house rules, proven dishonestly or drunkenness, such employe shall not be entitled to the payment of any vacation benefits.

Section 6. The vacation period of employes shall be scheduled by the Employer in accordance with his requirements. The choice of time off during such vacation periods shall be selected on a seniority basis whenever possible. If the scheduled vacation period of an employe is cancelled by the Employer and no other vacation time is available, the employe shall receive cash pay in lieu of such vacation.

Section 7. In the event the Employer sells its Motel, or by any other means ceases to operate such establishment, the Employer shall pay each of its employes whose periods of employment shall have or will entitle them to a vacation the cash equivalent of any vacation which said employes shall have earned to the date of the cessation of operations. In the event of the sale of the Motel, this clause may be waived if the new owner or operator agrees in writing, and the Union is supplied with a copy of such written agreement to schedule and pay vacations on the basis of employment with the former Employer bridged to his own period of operations.

Section 8. Schedules for vacations are to be posted in advance so that seniority employes can have their choice of days off.

ARTICLE VI
HOLIDAYS

Section 1. In 1968 steady employes shall be paid their straight time hourly rate for the following holidays if not worked and double their straight time hourly rate if said holidays are worked, to-wit: Memorial Day and Thanksgiving Day, Christmas Day & New Year's Day.

Section 2. In 1969 steady employes shall be paid their straight time hourly rate for the following holidays if not worked and double their straight time hourly rate if said holidays are

worked, to-wit: Memorial Day, Thanksgiving Day, Christmas Day and New Year's Day.

Section 3. In 1970 & 1971 steady employes shall be paid their straight time hourly rate for the following holidays if not worked and double their straight time hourly rate if said holidays are worked; to-wit: Memorial Day, Thanksgiving Day, Christmas Day and New Year's Day.

Section 4. If an employe works one (1) of the above designated paid holidays and it falls either on his designated sixth (6th) or his designated (7th) day, the employe shall receive premium pay as follows: On the employe's designated sixth (6th) day – two and one-half (2½) times his straight time hourly rate shall be paid; on the employe's designated seventh (7th) day – three (3) times his regular straight hourly rate shall be paid.

Section 5. In order to become eligible for holiday pay in accordance with the foregoing sections, an employe must work his last scheduled workday preceding and his first scheduled workday following said holidays unless excused by the Employer on account of sickness, physical disability or other reason or unless the employe is on approved vacation, or unless the day before or the day after a holiday is a regular scheduled day off for the employe.

Section 6. An employe shall not be eligible for holiday pay for a holiday not worked until he has been in the employ of the Employer for more than thirty (30) days.

Section 7. An employe on personal leave of absence or an employe who has been on sick leave for more than five (5) days shall not be entitled to holiday pay.

Section 8. An employe who has been laid off because of lack of work shall be paid for a designated holiday if said holiday occurs within five (5) working days of his layoff.

Section 9. If one (1) of the aforesaid holidays fall during a period when an employe is on approved vacation, said employe shall receive an extra day's pay.

Section 10. If an employe fails to show up for work on a holiday that he is scheduled to work, such employe shall forfeit all

pay for that holiday unless such employe is excused by the Employer on account of sickness or physical disability.

Section 11. The provisions of Article VI shall not apply to or cover extra employes.

ARTICLE VII
HEALTH – WEALTH – PENSION PROGRAM

Section 1. The Employer shall contribute to the Hotel and Restaurant Employees Insurance Fund the sum of forty-five (45c) Cents per day from the first day of employment for each day worked, with a minimum of two Dollars ($2.25) twenty-five Cents per week for each week worked by steady employes. The Employer shall contribute to the Hotel and Restaurant Insurance Fund the sum of forty-five (45c) Cents per day for each day worked by all other employes covered by this Agreement. Such contributions shall be used for insurance coverage to provide benefits for employes eligible for benefits.

Section 2. The Employer shall contribute, in addition to the contributions provided for the preceding Section, the sum of Forty (40c) Cents per day for each day worked for employe covered by this Agreement to the Hotel and Restaurant Employes Pension for the purpose of establishing and paying pensions to eligible employes as provided in an Trust establishing the Hotel & Restaurant Employes Benefit Plan.

Section 3. Contributions as provided in the foregoing Sections are payable for any period while an employe is on a paid vacation or for a paid holiday.

Section 4. Contributions are due on the Tenth (10th) of the month following the month for which they are due. Failure on the part of an Employer to make contribution as provided for herein shall render the Employer liable for claims to the full extent of all allowable benefits and for all contributions due hereunder.

ARTICLE VIII
SENIORITY

Section 1. The Employer agrees to recognize seniority in specific job classifications within each department and that em-

ployes in specific job classifications within each department shall, whenever reasonably possible, be promoted, demoted, laid off and recalled to work according to their length of service, provided, however, that the employe qualifies for the specific job classification within the department, and provided further, that if any operation within a department uses male or female employes exclusively, employes of the opposite sex in any other operation within the same department shall not have any seniority rights in the other operation within that same department.

Section 2. New employes shall be considered probationary employes and shall not acquire any seniority rights until they have been employed for a continuous period of thirty days or more within a period of ninety (90) days.

Section 3. Seniority rights shall terminate if an employe –

(a) Quits or retires;

(b) Is discharged for cause;

(c) Is absent for three (3) consecutive days without notice to the Employer, except in any event where an employe is unable to give such notice to the Employer due to circumstances beyond his control. In such event the employe shall give notice to the Employer as soon as possible but in no event, in not less than ten (10) days, otherwise his seniority shall terminate.

(d) Is laid off for a period equal to his seniority or one (1) year, whichever is the lesser period of time.

Section 4. Approved sick leaves not exceeding one (1) year and maternity leaves of absence not exceeding one-hundred (180) and eighty days shall be considered as time worked in the computation of seniority, provided, however, that vacation benefits shall not accrue after the first four (4) months of any such sick leaves.

Section 5. No extra employes in job classifications shall be used where seniority employes within the same job classifications are on layoff except in cases of emergency, or where the Employer cannot contact laid off employes in the same job of classification. This provision shall not apply to Hotels having twenty-five (25%)

percent or more permanent guests, which Hotels shall be listed on Schedule "E" attached hereto.

Section 6. An employe transferred or promoted to a new job classification or a supervisory position shall retain his seniority as of the date of promotion. An employe transferred to a new job classification shall accumulate seniority in such classification as of the date of his transfer. An employe transferred to a supervisory position shall continue to accumulate seniority while occupying a supervisory position outside the bargaining unit provided such employe maintains his membership in the bargaining unit. If an employe is re-transferred to his former job classification in the bargaining unit, he shall retain full seniority rights as of the date of his re-transfer. If an employe occupies a supervisory position outside the bargaining unit for a period of two (2) years or longer, he shall lose all seniority rights.

ARTICLE IX

GRIEVANCES – ARBITRATION

Section 1. If an employe has a grievance under the terms and provisions of this Agreement, it shall be handled in the manner hereinafter set-forth:

Step 1. The aggrieved employe or the Union shall take the grievance up with his department head.

Step 2. If the grievance is not settled under Step 1, the aggrieved employe shall take the grievance up with the local Union who shall attempt to adjust the matter with Management.

Step 3. If the grievance cannot be settled by Step 2, it shall be presented by the Union to the Employer who shall make a decision in two (2) weeks. If the decision of the Employer is unacceptable either to the Union or to the Employer, either party shall have the right to demand arbitration in accordance with the following step.

Step 4. The arbitrator shall be selected from a list furnished by the American Arbitration Association within two (2) weeks after such list is furnished to the parties. Upon

the appointment of an arbitrator selected from a list furnished by the American Arbitration Association, the subject matter of the grievance shall be submitted to the arbitrator within five (5) days after the selection of the arbitrator unless the parties mutually agree upon a longer period of time. Evidence shall be submitted by both parties within ten (10) days thereafter. The decision of the arbitrator shall be final and conclusive upon both parties and both parties agree to abide by the award of the arbitrator. The fees and expenses of the arbitrator shall be shared equally between the parties. Failure of the parties to agree upon an arbitrator within the period of time set-forth above shall give the employe the right to strike to solve unsettled grievances.

Section 2. An arbitrator shall not have any right or authority to add to, subtract from or modify the terms and provisions of this Agreement. Further, the renewal, extension, modification or amendment of this Agreement shall not be the subject matter of any grievance or arbitration procedure.

ARTICLE X
LEAVES OF ABSENCE

Section 1. Leaves of absence without pay for reasonable periods of time, not to exceed four (4) months, shall be granted by an Employer to employes for reasons of bona fide illness. Such leaves of absence for bona fide illness shall not effect employes' vacation or seniority rights.

Section 2. Leaves of absence without pay not to exceed two (2) months may be granted by mutual agreement between the Employer and the employe for other reasons but under such conditions the Employer shall determine the extent, if any, to which vacation rights shall be affected.

Section 3. Any leave of absence that may be granted may be extended, with the approval of the Employer, beyond the time allowed therefor as set-forth above.

Section 4. An employe who has a vacation accrued at the time of being granted an approved leave of absence or who is absent because of illness may elect to include such accrued vacation in his time off.

Section 5. All leaves of absence and extension of leave of absence must be in writing signed by the Employer and a copy sent to the Union.

ARTICLE XI
RIGHTS OF EMPLOYER – RIGHTS OF EMPLOYES

Section 1. An Employer shall have the exclusive right to control and direct its employes. This right shall include, among other things, the right to hire, promote, lay off, transfer, discipline, discharge, refuse to hire, set work schedules, make work assignments and direct and control its operations provided any decision of the Employer which is contrary or in violation of the provisions of this Agreement shall be subject of the grievance procedure.

Section 2. The Employer agrees not to discriminate against or discharge any Union member because of his or her proper Union activity.

Section 3. If a steady employe is laid off for a period of five (5) or more working days, except in cases of drunkenness, proven dishonesty, excessive absenteeism or violation of posted reasonable house rules, the Employer shall notify the employe affected at least three (3) days prior to the effective date of the layoff, but in the absence of such notice, the Employer shall pay the affected employe three (3) days' pay.

Section 4. If a steady employe is discharged, except for violation of posted reasonable house rules, drunkenness or proven dishonesty, the Employer shall notify the employe of his discharge at least three (3) days prior to the effective date thereof, but in the absence of such notice the Employer shall pay the affected employe three (3) days' pay.

Section 5. The Employer shall post in a conspicious place in the employes service area, a schedule indicating the days off of

employes, the starting and quitting times and the vacation period allowable.

ARTICLE XII
QUESTIONNAIRE CHANGE

Section 1. In the event an Employer turns over to any person or persons, the operation of any department of its Motel, the Employee shall notify the tenant of the terms and provisions of the Agreement before the execution of any lease. In addition, the Employer shall give ten (10) days' notice to the Union in advance of the execution of any lease so that the Union may contact and negotiate with the lessee for the execution of an agreement by the leasee to be bound by the terms and provisions of this Agreement. Failure of the lessee to meet this obligation shall give the Union the right to strike the lessee.

ARTICLE XIII
LOCKER ROOM

Section 1. The Employer shall provide sanitary dressing rooms for all of its employes and lockers with lock and key free of charge for regular employes. An Employer shall be responsible for any losses sustained by its employes for its failure to comply with this provision.

ARTICLE XIV
UNIFORMS

Section 1. If the Employer requests that uniforms be worn by certain employes, such uniforms shall be furnished and laundered by the Employer without cost to the employe.

ARTICLE XV
COMBINATION JOBS

Section 1. When an employe occupies a position which combines two (2) or more job classifications of work, then (except as otherwise provided) such employe shall be paid at the rate of the highest job classification. The Motel may not, by virtue of this

provision, evade the hiring of an employe in a higher job classification where such employe in a higher classification would normally be hired, according to the usage of the trade.

ARTICLE XVI

STUDENT TRAINING PROGRAM

Section 1. This Agreement shall not apply to training programs. Such programs shall be instituted by agreement between the individual Motel and the Union.

ARTICLE XVII

STRIKES AND LOCKOUTS

Section 1. Both the Union and Employer recognizes the service nature of the motel business and the duty of the Motel to render continuous and hospitable service to the public in the way of lodging, food and other necessary motel accommodations. There shall be no lockouts, strikes or work stoppages of any kind prior to the termination date of this Agreement as set-forth in Article XIX following. If neither party gives notice of its desire to negotiate any change in this Agreement not less than sixty (60) days prior to the termination date as set-forth in Article XIX, then there shall be no lockouts, strikes or work stoppage until either party gives notice as provided in Article XIX of its desire to negotiate changes in the terms and provisions of this Agreement.

Section 2. The foregoing provisions of this Article shall not apply in the event the Employer refuses to comply with the arbitration provisions of this Agreement.

ARTICLE XVIII

SALE OR TRANSFERS

Section 1. This Agreement shall be binding upon the successors, assigns, purchasers, lesseees or transferees of the Employer whether such succession, assignment, or transfer be effected voluntarily or by operation of law or by merger or consolidation with another company provided the establishment remains in the same line of business.

ARTICLE XIX

TERM OF AGREEMENT

This Agreement and all Schedules attached hereto shall continue and remain in full force and effect until August 1, 1971, and neither party shall demand any change in this Agreement and

the Schedules attached hereto until the termination thereof on August 1, 1971.

This Agreement shall continue in full force and effect from year to year thereafter, unless either party who desires to negotiate changes in this Agreement and the schedules attached hereto shall service written notice on the other party by registered mail not less than sixty (60) days prior to August 1, 1971.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____ day of _____, _____ .

FOR THE HOWARD JOHNSON'S MOTOR LODGE, INC.

CHARLES T. GRISSOM

Witnessed:_____

Dated:_____

FOR THE UNION:

MYRA K. WOLFGANG

Myra K. Wolfgang
SECRETARY-TREASURER

SCHEDULE "A"

Following are the daily minimum wage rates effective on the dates as listed below:

CLASSIFICATION	8-1-68	8-1-69	8-1-70
Maids	$13.00	$13.50	$16.00
Porter	12.79	13.93	16.46
Curb. Houseman & Porter & Maintenance	14.00	15.00	17.50

Date of hire seniority of employes shall determine the order of lay-off and recall after lay-off.

Steady maids working 4 or more days per week shall be paid on the basis of the regular daily rate for steady maids for the number of days actually worked.

Maids shall not be required to do more than 16 rooms within 8 hours of work.

When maids are required to general house-clean rooms, the work load will be reduced by one room for each room that is general house-cleaned.

HOWARD JOHNSON'S
MOTOR LODGE, INC.

CHARLES L. GRISSOM

UNION

MYRA K. WOLFGANG
Myra K. Wolfgang, Secy.

Witness ED J. EDWIN

Dated: January 23, 1969

AGREEMENT

Between

HOTEL & RESTAURANT EMPLOYEES & BARTENDERS INTERNATIONAL UNION, AFL-CIO

DETROIT LOCAL JOINT EXECUTIVE BOARD

Representing and Acting for

Chefs, Cooks, Pastry Chefs Union No. 234
Bartenders Local Union No. 562
Hotel, Motel and Restaurant Employees Union No. 705
Front Office and Check Room Employees Union No. 880

AND

HOWARD JOHNSON RESTAURANTS

THIS AGREEMENT is effective on the First day of January, 1968 and is made between the Hotel & Restaurant Employees & Bartenders International Union, Detroit Local Joint Executive Board, affiliated with the American Federation of Labor – Congress of Industrial Organizations (AFL-CIO) hereinafter called the "UNION" and Belleville Restaurant Co., Inc., a Howard Johnson Restaurant, located at 45945 Willow Run Expressway, Belleville, Michigan, hereinafter called the "EMPLOYER".

WITNESSETH: That whereas it is to the mutual interest of the respective parties that uniform labor relations standards and regulations prevail in the hotel, motel, bar and restaurant industry,

It is therefore mutually agreed as follows:

ARTICLE I

RECOGNITION – UNION SECURITY

Section 1. The Employer recognizes the Union as the exclusive agency for collective bargaining for all employees.

Section 2. The Employer agrees that as a condition of employment all employees who are presently members of the Union shall retain their membership in said Union and all present employees who are not members and all new employees shall become and remain members of said Union on the thirty-first (31st) day following the beginning of his or her employment or the effective date of this Agreement, whichever is later.

Section 3. The Employer agrees upon the request of the Union to discharge any employee who fails to tender his initiation or reinstatement fees and periodic dues in accordance with the above.

Section 4. Union dues, application fees and reinstatement fees shall be paid by employees through a check-off. However, no such sums shall be deducted by the Employer from any employee's wage unless and until the employee has voluntarily signed a waiver card authorizing the deduction of same, such assignment not being irrevocable for a period longer than one (1) year or the termination of this Agreement, whichever first occurs. The money so authorized shall be deducted from the first pay check each month of the employee's and shall then be remitted to the Local Union.

ARTICLE II

HIRING

Section 1. All employees may be hired through the Union office. In order to facilitate the employment of necessary help, to assure qualified employees of an efficient system of locating employment and insure the Employers of a regular source of available employees, each of the Unions agrees to operate a job referral system in a non-discriminatory manner for employees within their jurisdiction. All persons who are referred to Employers by their respective Unions shall be identified by job referral slips issued by

the referring Union and delivered to the Employer by the individual being referred except as hereinafter provided.

Section 2. It is understood and agreed by the Unions that the operations of said job referral systems shall be on a non-discriminatory basis and in accordance with the following terms, conditions and standards.

(a) It is agreed that the Employers shall have the right to reject any job applicant referred by the Unions. In the event any applicant is rejected, the Employer shall request that additional applicants be furnished by the Unions from their job referral system.

(b) Notices shall be posted in places where notices to employees and applications for employment are customarily posted of all the provisions relative to the functions and operations of said hiring and job referral systems.

(c) In the event a job referral system fails to supply qualified workers to an Employer within forty-eight (48) hours after a request is made, the Employer may engage new employees from any other source except from fee charging employment agencies. The Employer shall notify the Union of the name, address, social security number and date of employment of such new employees within five (5) days after date of hiring.

(d) The Employers agree to hire all extra employees in the manner above provided using the job referral systems operated by the Unions.

(e) The maintenance and operation of the hiring hall provisions of this Agreement shall be undertaken separately and individually by each of the said Unions who are parties to this Agreement and no individual Union shall be bound or responsible for any other Union's maintenance or operation of its respective job referral system which is inconsistent with the express terms of this Agreement.

(f) The Unions shall establish and maintain appropriate registrations for qualified applicants available for employment in the established job classifications, and the conduct of

this activity by the Unions shall be in accordance with the application of the above terms, conditions and provisions.

(g) The Unions agree to permit, newly hired non-Union employees to become members of the appropriate Unions upon making application for membership and the payment of the customary initiation fees and regular dues.

ARTICLE III

GRIEVANCE PROCEDURE

Section 1. If an employee has a grievance under the terms and provisions and during the term of this Agreement, the same shall follow the procedure set forth below... No grievances shall be filed or processed based on facts or events which have occurred prior to seven (7) calendar days before the grievance is reduced to written form *if the grievance is known.*

Step 1. The aggrieved *employee or the Union* shall take the grievance up with the department head.

Step 2. If the grievance has not been settled within seven (7) calendar days, the grievable matter shall be reduced to writing and a copy given to the employer. The aggrieved employee may take the grievance up with his local union who shall attempt to adjust the matter with management.

If the written grievance is not settled within thirty (30) calendar days after it has been reduced to writing, within an additional thirty (30) days, either party may request arbitration of the unadjusted grievance and the other party shall agree to proceed to arbitration.

It is agreed that the renewal or extension or any change or amendment of this Agreement shall not be the subject matter of a grievance which can be submitted to arbitration.

Step 3. Arbitration shall occur under the Voluntary Labor Arbitration Rules of the American Arbitration Association.

The decision of the arbitrator shall be final and conclusive upon both parties and both parties agree to abide by the award of the arbitrator.

The fees and expenses of the arbitrator shall be shared equally between the parties.

ARTICLE IV

HOURS, WAGES, SPECIFIC WORKING CONDITIONS, SPLIT SHIFTS

Section 1. Commencing January 1, 1969, on the basis of the regular work week commencing at 7 a.m. on Monday and ending Sunday, midnight, all employees working in excess of forty-four (44) hours per week during such work week shall receive one and one-half (1-1/2) times their regular hourly rate of pay.

Commencing January 1, 1970, on the basis of the regular work week commencing at 7 a.m. on Monday and ending Sunday, midnight, all employees working in excess of forty (40) hours per week during such work week shall receive one and one-half (1-1/2) times their regular hourly rate of pay.

An employee working over eight (8) hours in any one day shall be paid at the rate of time and one-half his regular rate of pay. Anyone working on the seventh (7th) consecutive day within the same work week shall be paid at the rate of double time, however, there shall be no pyramiding of overtime. Any regular full time employee legally reporting for work on any legally scheduled work day shall be paid in full for said day, if he is available for work.

Section 2. Employees may be required to work overtime if they are given twenty-four (24) hours' notice of such required overtime. In emergencies, overtime may be required without such notice. Overtime shall be rotated among the employees in the classification required to work such overtime and overtime shall be equalized within a reasonable period of time.

Section 3. Wages for all steady employees shall be paid weekly. Wages for all extra employees shall be paid at the end of their work shift.

Section 4. The wage scales herein noted shall be exclusive of meals, laundry, linens, and repair on all working equipment. Wage rates and certain other conditions are contained in Exhibit A attached hereto and made a part hereof by reference.

Section 5. Split shift shall not be permitted in any department unless so indicated on the wage schedule.

Section 6. When an employee occupies a position which combines two or more job classifications of work, then such employee shall be paid at the rate of the highest job classification.

In cases of emergency and at the request of the employer, an employee may be temporarily assigned to advertise his or her regular classification within the jurisdiction of the local Unions. However, the employee shall be paid the regular rate of his job or the rate of the classification to which he or she is assigned, whichever is higher. [Illustration: a fountain girl or waitress assigned to take cash.]

Supervisors and/or management shall not perform bargaining unit work except in cases of an emergency.

Section 7. If new classifications are established, coming within the jurisdiction of the Unions party to this Agreement, negotiations will be entered into for the schedule of wages and other terms and conditions of employment which shall govern said new classifications.

Section 8. No employee shall at any time be deprived of any advantage or privilege heretofore enjoyed nor shall it operate to deprive any employee from receiving a wage higher than the Union scale in consideration of superior knowledge and ability. There shall in no event and at no time be a reduction in wages or deprivation of benefits to any employees covered by this Agreement except by mutual written agreement between the Employer and the Union. Nor shall any settlement or compromise of any claims for back wages, overtime, or other benefits, provided by this Agreement be binding upon any employee or former employee unless such settlement or compromise shall have been approved in writing by the duly authorized representatives of the Union. This Agreement embodies the entirety of the agreement and no agent

or member of the Union is authorized to waive or modify any provision thereof.

ARTICLE V

HEALTH, WELFARE, PENSION PROGRAM

Section 1. The Employer agrees to contribute to the Hotel & Restaurant Employees Insurance Funds the sum of thirty cents (30¢) per day per employee from the first date of employment. The minimum contribution on steady employees (i.e. an employee who works four days per week) shall be $1.50 per week, and shall be made upon forms furnished by the Hotel & Restaurant Employees Insurance Fund.

Section 2. Commencing on and after December 1, 1970, the Employer shall contribute the sum of forty cents (40¢) per day for each day worked by an employee covered by this Agreement to the Hotel & Restaurant Employees Pension Fund for the purpose of establishing and paying pensions to eligible employees as provided in an Indenture of Trust establishing the Hotel & Restaurant Employees Pension Fund.

Section 3. Contributions are payable for any period when an employee is on a paid vacation.

Section 4. Contributions are due on the 10th of the month following the month for which they are due. Failure on the part of the Employer to make contributions as provided for herein shall render the Employer liable for claims to the full extent of all allowable benefits, and for all contributions due hereunder.

ARTICLE VI

MEALS

Section 1. The parties agree that, in the interest of maintaining continuous service to customers, the employees of the Employer shall consume their meals on the premises at such time, and in such manner as the Employer deems necessary for his convenience, and the cost of such meals shall not be included in any report for income tax purposes. The employees agree to accept

one such meal for each meal worked in such establishments as sell food, and for which no charge shall be made to the employee. One such meal shall be eaten on the Employer's time.

ARTICLE VII

VACATIONS – PAID HOLIDAYS

Section 1. After an employee has been in the employment of the Employer, or the establishment in which he is employed for twelve (12) months, he shall be entitled to one week's vacation with pay, payable in advance. After such employee has been in the service of the Employer for twenty-four (24) months, he shall be entitled to two (2) weeks' vacation with pay, payable in advance. And, after an employee has been in the service of the Employer for ten (10) continuous years of employment, he shall be entitled to three (3) weeks' vacation with pay, payable in advance. Pay for the vacation period shall be computed on the average weekly pay received by such employee during the year preceding the vacation. If any employee is discharged, laid off, or quits (providing he gives two (2) weeks' notice) he shall be entitled to vacation pay prorated according to the actual service performed and upon the basis of two (2) weeks' pay unless employment has been less than one (1) year, in which case proration shall be based upon one (1) week's vacation; provided further that the employee has been in the service of the Employer for at least four (4) months from the date of his employment. Temporary layoffs or leaves of absence shall not interrupt the continuity of employment for the purpose of eligibility for vacation.

Layoffs or leaves of absence extending beyond sixty (60) calendar days shall reduce vacation pay by one-twelfth (1/12th) for each such additional thirty (30) days.

Section 2. Unworked Holiday Pay. Steady employees shall be paid for the enumerated holidays at their regular straight-time hourly rate (for the number of hours for which the employee would have been scheduled for that day if it were not a holiday) if not worked and if the holiday falls on a day for which the employee would have been scheduled to work.

Paid holidays are:

HOLIDAY	COMMENCING
Mother's Day	In effect
Easter Sunday	In effect
Christmas Day	In effect
Thanksgiving Day	1968
Memorial Day	1969
4th of July	1970

To qualify for unworked holiday pay, an employee must meet all of the following conditions:

(a) The employee must have completed his (her) probationary period of thirty (30) days prior to the holiday; and

(b) The employee must be on the active payroll of the holiday work week and must work his last scheduled work day prior to and his next scheduled work day after the holiday. An eligible employee absent during the holiday week because he is on an approved vacation shall receive pay for the holiday in accordance with the provisions of this section.

If an employee works on any of the above enumerated holidays after their effective date, time and one-half the employee's regular hourly rate shall be paid for the hours actually worked. If an employee is scheduled to work on the holiday but fails to report and actually perform work on the holiday, he shall not be paid for that day unless the employee is excused by the Employer because of sickness or physical disability.

ARTICLE VIII
LEAVE OF ABSENCE AND SICK LEAVE

Section 1. Leaves of absence without pay for reasonable periods of time, not to exceed four (4) months, shall be granted by an Employer to employees for reasons of bona fide illness and maternity leave of one hundred eighty (180) days. Such leaves of absence for bona fide illness and maternity leaves shall not affect employees' vacation or seniority rights except as provided in Article VII, Section 2.

Section 2. Leaves of absence without pay not to exceed two (2) months may be granted by mutual agreement between the Employer and the employee for other reasons but under such conditions the Employer shall determine the extent, if any, to which vacation rights shall be affected.

Section 3. Any leave of absence that may be granted may be extended, with the approval of the Employer, beyond the time allowed therefor as set forth above.

Section 4. An employee who has a vacation accrued at the time of being granted an approved leave of absence or who is absent because of illness may elect to include such accrued vacation in his time off.

Section 5. All leaves of absence and extensions of leave of absence must be in writing signed by the Employer and a copy sent to the Union.

ARTICLE IX
SENIORITY

Section 1. New employees shall be considered probationary employees and shall not acquire any seniority rights until they have been employed for a period of thirty (30) calendar days.

Section 2. The Employer agrees to recognize seniority in specific job classifications within each department and that employees in specific job classifications within each department shall be promoted, demoted, laid off and recalled to work according to their length of service, provided, however, that the employee qualifies for the specific job classification within the department.

Section 3. Seniority rights shall terminate, if an employee:

(a) Quits or retires;

(b) Is discharged for cause;

(c) Fails to return to work from an approved leave of absence;

(d) Is absent for three (3) consecutive days without notice to the Employer except in any event where an

employee is unable to give such notice to the Employer due to circumstances beyond his control. In such event, the employee shall give notice to the Employer as soon as possible, but, in no event, more than ten (10) days from absence otherwise his seniority shall terminate.

(e) Is laid off for a period equal to his seniority or two (2) years, whichever is the lesser period of time.

Section 4. Approved leaves of absence shall be considered as time worked in the computation of seniority.

Section 5. No extra employees in job classifications shall be used where seniority employees within the same job classifications are on layoff except in cases of emergency, or where the Employer cannot contact laid off employees in the same job classification.

ARTICLE X
UNIFORMS

Section 1. The Employer shall furnish and launder all uniforms except as otherwise provided herein, and linens and sharpen the cooks' tools whenever necessary. Where waiters or waitresses are employed and standard uniforms are worn, waiters and waitresses shall supply such uniforms at their own expense. The regulation black dress, white collor, white cuffs, and apron, or the white dress and white apron shall be considered the regulation waitress uniform. Black plants and black alpaca coat shall be considered the standard waiter's uniform. The regulation uniform for bartenders shall be black tie, white shirt, black pants and black shoes. The regulation uniform for barmaids shall be white blouse and dark skirt. All other uniforms shall be paid for and serviced by the Employer.

Section 2. Whoever furnishes uniforms, employer or employee, shall maintain them.

Section 3. Dining room and counter waitresses shall comply with the requirements for dress and uniforms that appear on Page 2, Standards of Appearance, of the Howard Johnson Manual dated and amended July, 1967. All employees shall be given a copy of

such booklet, "Johnson Girl," and from time to time shall be advised of modifications, additions or deletions to the aforesaid Standards of Appearance.

ARTICLE XI
GENERAL PROVISIONS

Section 1. The Employer shall be responsible for the safekeeping of employees' clothing and work tools in a place to which the public shall not have access, and shall be the insurer of the value of the same in the event of loss through fire or theft. The Employer shall provide a clean and comfortable dressing room for the employees.

Section 2. No employee shall be required to work with non-Union employees, except probationary employees, and such refusal shall not be made the basis of discharge or other disciplinary action. The employees shall work while they are ready and able to work. All parties to this Agreement represent that they will endeavor to the best of their ability to carry out all its terms and provisions.

Section 3. No employee shall be discriminated against for giving information regarding alleged violations of this Agreement to the Unions.

Section 4. The Employer shall grant the necessary time off without pay to any employee designated by the Union, to serve in any capacity on official Union business. Where it is the practice to pay employees for time off on Union business, same shall be continued.

Section 5. The Employer shall, at each regular pay period, give to each employee a statement of all social security tax, withholding tax, deductions from pay, etc. It shall be the duty of the Employer to make and preserve a complete record showing wages paid and hours worked by all employees covered by this Agreement as well as a complete record of all Insurance contributions made in accordance with Article V, Health–Welfare–Pension Program, Sections 1 and 2. The Employer shall upon request make such records available for inspection by any authorized representative of the Union.

Section 6. All employees covered by this Agreement shall be covered by Workmen's Compensation Insurance and by the Michigan Employment Security Act.

Section 7. A copy of this contract shall be posted in a prominent place to which the public shall not have access.

Section 8. A bulletin board will be provided for the sole use of the Union for posting notices of meetings and other proper Union activities.

ARTICLE XII
CONCESSIONNAIRE CLAUSE

Section 1. In the event the Employer leases or turns over to any person or persons the operation of any department of his establishment, the Employer shall give the Union ten (10) days' notice in advance of such contemplated lease or arrangement. The Employer shall also require of such tenant or other person as a condition precedent to such tenancy or arrangement that such tenant or other person shall fully observe all provisions of this Agreement and that his failure to do so completely and entirely shall represent a breach of tenancy for which eviction shall occur. Furthermore the Employer shall be personally liable for any and all damages resulting from the failure of the lessee or other person to observe any and all terms of this Agreement.

ARTICLE XIII
SALE OF TRANSFER

Section 1. It shall be the duty of the Employer to inform the Union in writing at least ten (10) days in advance of any sale, transfer or other changes in ownership. Failure on the Employer's part to so notify the Union shall render the Employer liable for any subsequent failure of the new owner to pay the employees on the basis of the provisions of this contract, said liability to extend for the period of one (1) week after the change in ownership or until the Union receives notice of such change, whichever occurs later.

Section 2. This Agreement shall be binding upon the employer's successors, assigns, purchasers, lessees or transferees

whether such succession, assignment or transfer be affected voluntarily or by operation of law; and in the event of the employer's merger or consolidation with another company or companies, this Agreement shall be binding upon the merged or consolidated company, provided the establishment remains in the same line of business.

ARTICLE XIV
NO STRIKE – NO LOCKOUT

Section 1. Under no circumstances will the union cause or permit its members to cause nor will any member of the bargaining unit take part in any strike, sit-down, stay-in or slowdown in any establishment of the Employer or any curtailment of work or restriction of production or interference with the operations of the Employer or any picketing or patrolling during the terms of this Agreement. In the event of a work stoppage, other curtailment of production, picketing or patrolling, the Employer shall not be required to negotiate on the merits of the dispute which gave rise to the stoppage or curtailment until same has ceased.

Section 2. The Employer will not lockout any employees during the term of this Agreement.

ARTICLE XV
MANAGEMENT RIGHTS

Section 1. Nothing in this Agreement shall be construed to limit or impair the right of the Employer to exercise its own discretion on all of the following matters, whatever may be the effect upon employment, when in its discretion it may determine it advisable to do any or all of the following:

to management its business generally,
to decide the number and location of stores,
to decide all equipment to be used,
to decide all items to be served or sold,to decide the method and means of sale of products,
to determine work schedules for employees,
to hire, layoff, assign, transfer and promote employees (a complaint by Local 234 of improper classification shall

result in a joint job-content analysis to determine the validity of same),
to determine the qualifications of employees,
to determine and redetermine job content,
to determine the starting and quitting time,
to determine the number of hours to be worked,
to make such reasonable rules and regulations not in conflict with this Agreement, as it may from time to time deem best for the purposes of maintaining order, safety and/or effective operation and after advance notice thereof to the union and the employees, to require compliance therewith by employees,
to discipline and discharge employees for cause.

Section 2. The delineation of Management Rights shall be subject to the express terms of other provisions of this Agreement and to the Grievance Procedure.

ARTICLE XVI
EQUAL TREATMENT

Section 1. If, during the term of this Agreement, the Union negotiates a contract with Employers having a Howard Johnson franchise, the terms of which are more favorable than those contained herein, in that event, the Employer may, at the expiration of a ten (10) day written notice to the Union, automatically incorporate such more favorable terms into this Agreement.

ARTICLE XVII
SAVING PROVISION

Section 1. If any provision of this Agreement shall be, or become, invalid by reason of any applicable Federal or State Law, or be held invalid by any court or agency of competent jurisdiction, remaining portions thereof shall not be invalid, but shall continue in full force and effect.

ARTICLE XVIII
DURATION

Section 1. This Agreement shall remain in full force and effect from and after January 1, 1968 and shall continue in full

force and effect until March 31, 1971 and thereafter from year to year. Should either party desire to make any changes in this Agreement, such party shall, not less than sixty (60) days prior to March 1, 1971 serve notice on the other party by certified mail.

IN WITNESS WHEREOF: The parties representing that they have authority to do so, have hereunto subscribed their names on the said day and year.

HOWARD JOHNSON RESTAURANT

Belleville Restaurant Co., Inc.
Company Name

By _____
Title

HOTEL & RESTAURANT EMPLOYEES & BARTENDERS INTERNATIONAL UNION, DETROIT LOCAL JOINT EXECUTIVE BOARD, AFL-CIO

_____
(President)

MYRA K. WOLFGANG
(Secretary)

EXHIBIT "A"

Following are the minimum wage rates, per day, effective on the dates listed below:*

Local 234	3-1-68	1-1-69	1-1-70
Head Cooks	15.00	15.50	16.00
Other Cooks	13.50	14.00	14.50
Bakers	13.50	14.00	14.50
Grill & Sandwich	12.50	13.00	13.50
Pantry	12.00	12.50	13.00
Utility (new classification	10.60	11.00	12.00

Local 705	3-1-68	1-1-69	1-1-70	7-1-70	12-1-70
Waitress	8.50	9.00	9.50	9.75	10.00**
Fountain waitress	8.75	9.25	9.75	10.00	10.00**
Fountain service	9.05	9.55	10.05	10.30	10.55

These rates are for actual hours worked, but with a minimum of 3½ scheduled hours per day. Split shift is permitted at $1.00 per day additional, overall work day not to exceed eleven (11) hours.

Bus Boys	9.05	9.55	10.05

These rates are for actual hours worked, but with a minimum of 4 scheduled hours per day. Split shift is permitted at $1.00 per day additional, overall work day not to exceed eleven (11) hours.

Hostess	12.50	13.00	13.50
Porter	11.50	12.00	12.50

*For the period from January 1, 1968 through February 29, 1968, all unit employees shall receive twenty-five cents (25c) per day increase (full retroactivity in accordance with the minimum wage rates commenced March 1, 1968). Except as provided above, for the calendar year 1968 all present employees in all job classifications shall receive not less than fifty cents (50c) per day increase over their present rate or a five percent (5%) increase over the existing rate, whichever is higher.

**Fountain and dining room waitresses shall not be raised over the ten dollars ($10) rate before December 1, 1971 (this promise carries over into any renewal of this Agreement).

Local 562	3-1-68	1-1-69	1-1-70
Bartenders-Front	20.00	21.00	22.00
Bartenders-Service	23.00	24.00	25.00
Local 880			
Cashiers	12.50	13.00	13.50

RATE FOR NEW HIRES. For the first thirty (30) days of employment for all new employees hired into the unit classifications, the Employer shall be permitted to pay fifty cents (50c) per day less than the minimum wage rates.

Exhibit C

ADDENDUM

THIS Addendum to the Collective Bargaining Agreement dated January 1, 1968, by and between the Hotel and Restaurant Employes and Bartenders International Union, Detroit Local Joint Executive Board, AFL-CIO and the Howard Johnson's restaurant located at 45915 Willow Run Xway, Belleville, Michigan shall become effective May 1, 1971.

ARTICLE V

HEALTH WELFARE PENSION PROGRAM

Section 1. The Employer shall contribute to the Hotel and Restaurant Employes Insurance Fund the sum of 45c per day from the first day of employment for each day worked, with a minimum of $2.25 per week for each week worked by steady employes. The Employer shall contribute to the Hotel and Restaurant Employers Insurance Fund the sum of 45c per day for each day worked by all other employes covered by this Agreement. Such contributions shall be used for insurance coverage to provide benefits for employes eligible for benefits.

Section 2. The Employer shall contribute, in addition, to the contributions provided in the preceding Section, the sum of 40c per day for each day worked by an employe covered by this Agreement to the Hotel and Restaurant Employes Pension Fund for the purpose of establishing and paying pensions to eligible employes as provided in an Indenture of Trust establishing the Hotel and Restaurant Employes Pension Plan.

Section 3. Contributions as provided in the foregoing Sections are payable for any period while an employe is on a paid vacation or for a paid holiday.

Section 4. Contributions are due on the 10th of the month following the month for which they are due. Failure on the part of an Employer to make contributions as provided for herein shall render the Employer liable for claims to the full extent of all contributions due hereunder.

ARTICLE VII
PAID HOLIDAYS

Section 1. remains the same.

Section 2. Effective May 1, 1971, if an employee works on Mothers Day or Christmas Day they shall receive double time, the remaining holidays at time and one-half.

Effective May 1, 1972, if an employee works on Mothers Day, Christmas, Thanksgiving Day or Memorial Day they shall receive double time, the remaining holidays at time and one-half.

As of May 1, 1973 if an employee works on any of the Holidays they shall receive double time.

EXHIBIT A

The following dates all employees shall receive not less than a fifty (50¢) per average increase – May 1, 1971, May 1, 1972 and May 1, 1973.

Local 234	5-1-71	5-1-72	5-1-73
Head Cook	$23.00	$23.50	$25.00
Cook	20.00	20.50	21.00
Baker	20.00	20.50	21.00
Grill & Sandwich	16.00	17.00	18.50
Pantry	15.50	16.00	18.00
Central Utility	15.00	15.50	16.75
Local 785			
Waitress	10.50	11.00	12.00
Fountain waitress	10.50	11.00	12.00
Fountain Service	11.05	11.55	12.55
Porter	15.00	16.00	17.50
Hostess	15.50	16.50	20.00
Bus Help	13.00	14.00	15.00
Local 880			
Cashiers	15.50	16.50	20.00
Local 562			
Bartender	25.00	26.50	28.00

J.K. R.T.F.
EMPLOYER INITIALS

R.F.
UNION'S INITIALS